DOCUMENT RESUME

ED 376 531 CS 508 742

TITLE	Proceedings of the Annual Meeting of the Association for Education in Journalism and Mass Communication (77th, Atlanta, Georgia, August 10-13, 1994). Part VIII: Advertising and Public Relations.
INSTITUTION	Association for Education in Journalism and Mass Communication.
PUB DATE	Aug 94
NOTE	574p.; For other sections of these proceedings, see CS 508 735-744. For 1993 proceedings, see ED 362 913-925 and ED 366 041.
PUB TYPE	Collected Works - Conference Proceedings (021)
EDRS PRICE	MF02/PC23 Plus Postage.
DESCRIPTORS	*Advertising; Mass Media Effects; Media Research; *Organizational Communication; *Public Relations; Recall (Psychology); *Television
IDENTIFIERS	Advertising Education; *Advertising Effectiveness; Charitable Organizations; Consumers; Issue Advertising; Japan; Media Campaigns; News Releases

ABSTRACT

The Advertising and Public Relations section of this collection of conference presentations contains the following 17 papers: "Using the FCB Grid and the 'Lost Quadrants' to Write Advertising Strategy" (Johan C. Yssel); "Antitrust and the Marketplace of Ideas: The Continuing Problem of Issue Advertising Access to Broadcast Television Networks" (Linda S. Henson); "Determinants of Consumer Ethical Evaluations of Buyer Behavior: An Attribution Approach" (Karan J. Kailimai); "The Effects of Type of Labeling and of Sponsor on Credibility of Video News Releases" (C. A. Tuggle and M. A. Ferguson); "New Directions for Employee Communications: A Study of Corporate Public Relations Executives" (Donald K. Wright); "Doing Well while Doing Good: An Explanatory Study of the Fund-Raising Practice of U.S. Charitable Organizations" (Kathleen S. Kelly); "Excellence in Investor Relations: An Exploratory Study of CEO Perceptions" (Barbara K. Petersen and Hugh J. Martin); "Diversity and a Local Newspaper: When Photojournalism Becomes Public Relations" (Anne Jett); "Organizational Dimensions of Standardization" (Sandra E. Moriarty and Thomas R. Duncan); "Communicating Crisis: One Corporation's Attempt to Frame the Issues" (Lynn M. Zoch and Sonya Forte Duhe); "The Adoration of the Gaijin: The Use of English and Non-Japanese Actors in Japanese Television Advertising" (Jay K. Miller); "Media Scheduling Models and Advertising Effects: Conceptualization and Theoretical Implications" (Louisa Ha); "Brand Recall for Product Placements in Motion Pictures: A Memory-Based Perspective" (Shonall Sabherwal and others); "The Power of Humorous Context to Affect Perception of Commercials, Programs, and Products" (Stephen D. Perry and others); "The Commercial Speech Doctrine in the '90s" (Scott M. Armstrong); "'He Kept Pressing Me for Details!': A Critical Cultural Analysis of Domestic Narratives in Post-World War II Pinup Advertising Calendars" (Jane Frederick-Collins); and "What You Want Is What You Get: Individualism as a Cultural Value in Primetime TV Advertising" (Joyce M. Wolburg and Ronald E. Taylor). (NKA)

ED 376 531

PROCEEDINGS OF THE ANNUAL MEETING OF THE
ASSOCIATION FOR EDUCATION IN JOURNALISM AND MASS COMMUNICATION

(77th, Atlanta, Georgia, August 10-13, 1994).

Part VIII: Advertising and Public Relations

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☑ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

- Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

CS508742

BEST COPY AVAILABLE

USING THE FCB GRID
AND THE "LOST QUADRANTS"
TO WRITE ADVERTISING STRATEGY

Johan C. Yssel, Assistant Professor
Department of Journalism
Ball State University, Muncie, IN 47306 (317) 285-8211

Presented at the 1994 Atlanta convention of the
Association for Education in Journalism and Mass Communication
(Advertising Division – Teaching Standards)

ABSTRACT

The FCB grid needs no introduction. However, what is not well-known is that the grid consists of **SIX SEXTANTS** and NOT four quadrants. This paper deals with how the Sextant Grid can be applied to write advertising strategy and how it can be used as a tool to teach students how to write advertising strategy. This methodology is preceded by a brief discussion of the areas that were researched prior to the introduction of the grid in 1979.

INTRODUCTION

Advertising is an integral part of marketing which centers around the consumer. Richard Vaughn, executive vice president and corporate director of research and planning at Foote, Cone & Belding, Los Angeles had no qualms whether advertising worked, but rather wanted to know *how* it worked. In his quest to answer this, Vaughn researched the following:

- Traditional advertising theories
- Consumer behavior models
- Brain specialization theories
- Consumer involvement in the decision making process

As an advertising practitioner, Vaughn geared his research toward the consumer in response to a need for a strategic discipline and creative stimulation during advertising planning which culminated in the introduction of the FCB grid in May 1979 during a worldwide conference of FCB researchers in London. In order to better understand what the FCB grid encompasses, the areas which Vaughn researched, will be briefly discussed before illustrating how the FCB grid can be applied to teach students to write effective advertising strategy. While Yssel & Walchle (1992) demonstrated how the quadrant grid can be used to write advertising strategy, this paper will concentrate on applying the **lesser-known sextant grid** for this purpose.

TRADITIONAL THEORIES

Four traditional advertising/marketing theories were prominent in the 1950s and although these theories were most topical then, they are considered to be outdated, archaic and at best only partial explanations of consumer behavior in the 1990s.

The **economic theory** deals with rational consumers, or bargain hunters, who are concerned about price and demand considerable product information as they look after their wallets. Considered to be thinkers, these consumers want to learn as much as possible about products prior to purchasing, and this theory most often applies to commodity items.

The **responsive theory** has it that consumers buy through rote and purchasing is influenced by conditioning and repetition as consumers are lazy and want to exert the minimum effort when purchasing products. Habits are developed through stimulus-response learning; consequently information serves as a reminder, rather than thoughtful purpose. Products purchased under this theory are normally inexpensive and the risk involved in making the wrong purchasing decision would not have grave financial consequences.

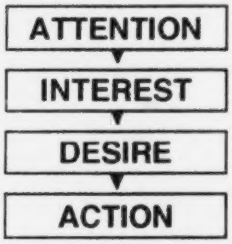
Unpredictable consumers who buy compulsively under the influence of unconscious thoughts and indirect emotions, are covered by the **psychological theory.** This theory explains consumer behavior as ego involvement because consumers' personalities must be defended or promoted. Therefore, implicit product attitudes are more important than functional benefits for the selective products that touch consumers so deeply.

According to the **social theory,** consumers like to imitate and purchase products because they want to join, emulate, or belong. This behavior is emotional and insecure as group role, prestige, status, peer pressure, opinion leaders, word-of-mouth communication, and vanity concerns are very important. Vaughn continues to say that "while these theories have enough face validity to make them interesting, they lack the specificity to make them practical"[1] but believes that each of these theories contains some truth. Economic motives dominate much consumer behavior, especially when it comes to expensive products and those with highly functional benefits. Responsive buying is also valid. Many routine items may require little or no thought, but once purchase habits are established, they can serve ad infinitum. Psychological issues and social motives complicate the understanding of consumer purchasing, as both can have symbolic overtones as many products have public meaning, which is the main consideration when a purchase is being considered.

CONSUMER BEHAVIOR MODELS

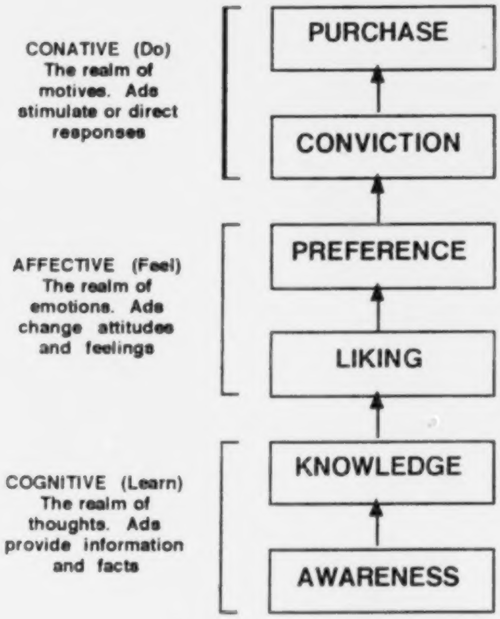
"Consumer behavior are acts, processes, and social relationships exhibited by individuals, groups, and organizations in the obtainment, use of, and consequent experience with products, services and other resources."[2] Vaughn, in his desire to determine how advertising worked, investigated various consumer models.

The AIDA (Attention, Interest, Desire, Action) model, one of the earliest consumer behavior models, paved the way for most advertising theories that followed. According to this model, the purpose of advertising is to get consumers' attention, which would be followed by their expressing an interest in the product or service, from which a desire to purchase would be developed and finally they would move to action, i.e., buy the advertised product.



AIDA model

Although many consumer behavior models were developed in the 1960s, the author believes that these were patterned after the AIDA model. Of those consumer behavior models which followed later, the hierarchy-of-effects model of Lavidge & Steiner (1961) is probably the best known.


CONATIVE (Do)
The realm of motives. Ads stimulate or direct responses
AFFECTIVE (Feel)
The realm of emotions. Ads change attitudes and feelings
COGNITIVE (Learn)
The realm of thoughts. Ads provide information and facts
PURCHASE
CONVICTION
PREFERENCE
LIKING
KNOWLEDGE
AWARENESS

Source: Journal of Marketing (1961)

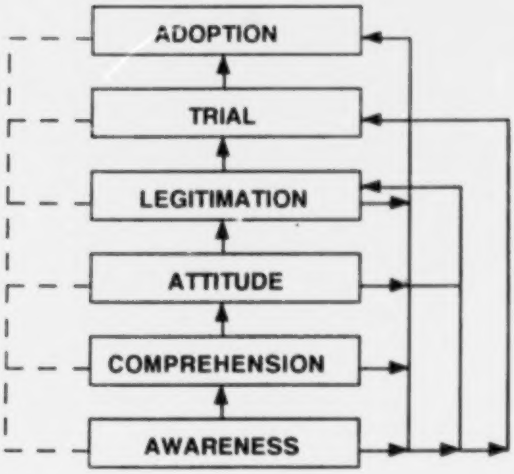
The Lavidge & Steiner model proposed that consumer purchase of a product occurred via a sequential hierarchy of events from awareness through knowledge, liking, preference and conviction. Vaughn considers this to be a "major step toward integrating the implications of the economic, responsive, social and psychological theories."[3]

Variant models (Andreason, 1963; Nicosia, 1966; Engel-Kollat-Blackwell, 1967 and Howard & Sheth, 1969) followed and according to Vaughn, "despite their detail, these second generation models remedied defects in the basic hierarchy model."[4]

- consumers might proceed through the sequence imperfectly, i.e., make mistakes, stop, start again

- feedback would allow later events to influence earlier activities
- consumers could skip the process entirely and behave in an illogical way

After the complexed model of Howard & Sheth, involving some 35-40 variables which were grouped under input, perception, learning and output categories, Robertson (1971) returned to simplicity with a model which included the main features of earlier models.



Source: How advertising works

"This modified 'hierarchy' model proposed that some consumers, under some conditions, for some products, might follow a sequential path. The dotted lines are feedbacks that can alter outcomes. Other decision patterns on the right track [show] consumers as they violated the formal sequence of the hierarchy. Thus, consumers can learn from previous experience and swerve from the awareness-to-purchase pattern. This scheme preserved the learn-feel-do sequence of most hierarchy models but made it more flexible. It also helped explain purchase behavior with the presence of measurable product knowledge or attitude formation."[5]

BRAIN SPECIALIZATION THEORIES

According to the brain specialization theories, the anatomical separation of the cerebral hemispheres of the brain leads to specialized perception of messages. The left side is more capable of handling linear, logic, language and analysis (cognitive function), while the right side is more intuitive, visual, and engages in synthesis (affective function). Furthermore, the left hemisphere which primarily involves language and logic "is credited with processing the kind of information one receives from a print communication such as a magazine ad [while the right hemisphere is] credited with processing the kind of information one receives from a television commercial."[6]

Ratchford (1987) refers to Park and Mittal saying that think/feel and involvement are linked because, "if a purchase decision is high in thinking or high in feeling (or both), it will be high in involvement."[7] Therefore, as more than one motive may be operational in a given purchase situation, "thinking and feeling can clearly exist simultaneously. They are separate dimensions, and products can range on a continuum from high to low."[8] Furthermore, "Think implies the existence of a utilitarian motive and consequent cognitive information processing. Feel implies ego gratification, social acceptance or sensory pleasure motives and consequent affective information processing."[9] Ratchford (1987) concludes that although think and feel may be separate dimensions, they can be combined into a single scale which measures the relative amount of each present in any given purchase situation.

Vaughn (1980) summarized the factors which play a role in determining whether a purchase involves more thinking or feeling, as follow:

RATIONAL (thinking)	vs.	EMOTIONAL (feeling)
Functional facts		Ego
Logic		Personality
Product characteristics		Senses

CONSUMER INVOLVEMENT

The FCB grid deals with consumers' involvement when purchasing products: whether the decision is of high/low importance and whether consumers stand to lose a lot/little when making a wrong/bad buy. Vaughn proposed that consumer involvement suggests a continuum of consumer interest in products and services. High involvement is attributed to money cost, ego support, social value or newness, and it also involves more risk, requires paying more attention, and demands a greater use of information. Low involvement decisions are exactly the opposite as they arouse little consumer interest or information handling because the risk is small and effort can be reduced accordingly.

It may be argued that all expensive products, such as automobiles, houses and computers, are high involvement products and therefore only expensive products will require high involvement activities from consumers. This is not entirely true as research has shown that the average American spends 20 minutes plus when purchasing a birthday/greeting card. Purchasing wine for friends, rather than for personal consumption, also requires more involvement.

Money, time, complexity and effort involved in buying and using products demand that consumers make value judgments. Some decisions are important enough to justify a lot of involvement, others not. It is vital that consumers avoid making a bad buy in the case of high involvement products. With low involvement products the penalty for a bad buy is light and there is also less anxiety about the outcome.

THE FCB GRID

Vaughn argued that it was necessary to devise a structure which would integrate traditional theories as well as the hierarchy-of-effects models with consumer involvement and brain specialization theories, in order to understand how advertising worked. He suggested an outline combining purchase decisions where thinking is most dominant and those where feeling dominates and situations which are more important than others.

According to Vaughn, thinking and feeling are a continuum in the sense that some decisions involve one or the other and many involve elements of both. This was done on a horizontal continuum (to coincide with the left and right brain) and Vaughn (1980) proposed that over time there is a movement from thinking toward feeling. High and low importance were placed on a vertical continuum and it was suggested that over time high importance can decay to relatively low importance.

Through the intersection of these two continuums, four quadrants are created. The dotted lines indicate a soft partition between the quadrants, while the solid line arrows visually depict the evolution of consumer tendencies as importance wanes and thinking diminishes with respect to particular products and services.

These quadrants outline four potential major goals for advertising strategy (to be informative, affective, habit forming or promoting self-satisfaction). They also encompass the four traditional marketing/advertising theories and hierarchy-of-effects models, as well as suggesting certain guidelines for testing advertising, selecting the most effective media to reach consumers, and executing advertising.

This advertising efficiency model centers around consumers, suggesting effective ways of reaching them by incorporating various consumer behavior and decision making theories – all of which affect consumers' purchasing decisions.

The grid, as it was introduced in London in 1979, follows.

IMPORTANCE	**THINKING**	**FEELING**
HIGH	**1. INFORMATIVE (THINKER)** CAR-HOUSE-FURNISHINGS-NEW PRODUCTS **MODEL:** Learn-feel-do (Economic?) **Possible Implications** **TEST:** Recall Diagnostics **MEDIA:** Long copy format Reflective vehicles **CREATIVE:** Specific information Demonstration	**2. AFFECTIVE (FEELER)** JEWELRY-COSMETICS-FASHION APPAREL-MOTORCYCLES **MODEL:** Feel-learn-do (Psychological?) **Possible Implications** **TEST:** Attitude change Emotion arousal **MEDIA:** Large space Image specials **CREATIVE:** Executional Impact
LOW	**3. HABIT FORMATION (DOER)** FOOD-HOUSEHOLD ITEMS **MODEL:** Do-learn-feel (Responsive?) **Possible Implications** **TEST:** Sales **MEDIA:** Small space ads 10-second IDs Radio & POS **CREATIVE:** Reminder	**4. SELF-SATISFACTION (REACTOR)** CIGARETTES-LIQUOR-CANDY **MODEL:** Do-feel-learn (Social?) **Possible Implications** **TEST:** Sales **MEDIA:** Billboards Newspapers POS **CREATIVE:** Attention

QUADRANT CHARACTERISTICS

Quadrant 1, high importance/thinking (informative). Due to the product importance and thinking issues related to it, this quadrant implies a large need for information. Major purchases (car, house, furnishings) and initially almost any new product which needs to convey what its function, price and availability are, qualify. The learn-feel-do sequence is the basic strategy model where functional and salient information designed to build consumer attitudinal acceptance, leads toward subsequent purchase. As the economic model may be appropriate here, consumers might be pictured as thinkers. In the case of creative executions, specific information and reflective, involving media may be necessary to get key points across to consumers. It is also suggested that recall testing and diagnostic measures will help evaluate the effectiveness of proposed advertising.

Quadrant 2, high importance/feeling (affective). Although the purchasing decision is very involved, specific information is less important than an attitude or holistic feeling, due to the importance being related to consumers' self-esteem (psychological model). Jewelry, cosmetics and fashion apparel might belong in this quadrant. The strategy calls for emotional involvement from consumers because they become feelers about the product and therefore, the proposed hierarchy model is the feel-learn-do sequence. Executional impact is considered a possibility for creative executions and media considerations suggest dramatic print exposure or image broadcast specials.

Quadrant 3, low importance/thinking (habit formation). Because purchasing decisions here require minimal thought and consumers, referred to as doers, tend to form buying habits of convenience and through rote, information will be "any point-of-difference that can be meaningfully exploited."[10] Most food and staple packaged goods items are likely to belong here and as brand loyalty is considered a function of habit, it is also quite likely that most consumers (referred to as doers) will have several acceptable brands. The do-learn-feel hierarchy model belonging here is compatible with the traditional responsive theory. This suggests that by simply inducing trial through coupons and free samples, subsequent purchase can be generated more readily than pounding home undifferentiating copy points. It is, therefore, suggested in the case of creative executions, to remind consumers of the availability of the product. Media implications include small space ads, point-of-sale pieces and radio. Advertising tests can be done through sales measure or lab substitutes, as recall and/or attitude change tests may not correlate with sales and may be misleading. "This is a troublesome quadrant because so many commonly used products and services are here and require very detailed and careful planning effort."[11]

Quadrant 4, low importance/feeling (self-satisfaction). Products which satisfy personal tastes, such as cigarettes, liquor, candy and movies, belong in this quadrant. The do-feel-learn model and social theory are appropriate as so many products fit into group situations (beer and soft drinks). Consumers are regarded as reactors whose logical interest will be hard to hold and short-lived. In terms of creative executions, advertising should scream in order to get attention with some consistency, and billboards, point-of-sale, and newspapers might be appropriate as effective media. As recall and attitude change may not be relevant, copy testing will need to be sales oriented.

THE "LOST QUADRANTS"

When Richard Vaughn introduced the FCB grid in 1979, he agreed that some products could belong between quadrants one and three or between quadrants two and four. Suggesting that strategists should not be restricted to the four quadrants of the matrix, he proposed two other hierarchy models. Between quadrants one and three a learn-do-feel sequence could apply as consumers go directly from information to purchase and develop a feel for the product later. Between quadrants two and four a feel-do-learn model suggests that consumers learn about a product after it has been purchased. Prior to purchasing a feel is first developed for the product. The fundamental hypothesis of this model is that "an advertising strategy is determined by specifying (1) the consumer's point of entry on the learn-feel-do continuum and (2) the priority of learn versus feel versus do for making a sale."[12]

The grid as it is known, distinguishes only between high and low consumer involvement, resulting in a host of products being grouped into these two areas where they do not really belong (the purchasing decisions of some products may not be as highly involved as their plotting suggest, while others may be more involved). This can be best illustrated by a lawn mower and a car which are both plotted in quadrant 1 (high involvement, rational). It should be obvious that a purchasing decision in the case of a lawn mower, will not be as involved as is the case with a car, but that it will be more involved compared to buying liquid bleach (quadrant 3). The same applies to the emotional side of the grid. In quadrant 2 (high involvement, emotional) one will find both an expensive diamond ring and Nike tennis shoes. Once again, the purchasing decision will not be as involved when buying Nike tennis shoes compared to a diamond ring, but it will be more involved than when purchasing a candy bar (quadrant 4).

However, once the two "new" areas (between quadrants 1 and 3, and between quadrants 2 and 4) are acknowledged, involvement is classified in terms of three categories: high, MEDIUM and low. By introducing the medium involvement category, a number of products would now move from the high and low involvement areas into the medium involvement areas. This would take care of products such as lawn mowers and Nike tennis shoes which were discussed in the foregoing paragraph. A car would remain in quadrant one, while a lawn mower will move into the area between quadrants one and three. The same principle applies to the diamond ring which will remain in quadrant two, but Nike will now move into the area between quadrants two and four.

The implications of this could be significant, as it appears that there would be a major exodus of products from the high and low involvement areas into the two areas where consumers' involvement in the purchasing decision would be classified as medium. It should be obvious that these two areas will change the appearance of the grid as it is known at present. No longer is one dealing with four quadrants, but rather with six sextants, each with its own characteristics.

Medium involvement/rational sextant:

Type of person: This person will be a combination of the one found in the high involvement/rational (thinker) and low involvement/rational areas (doer). It is proposed that this person be called a *thinking doer.* When making a purchasing decision the involvement will not be as high as in the area directly above, but higher than the area below.

Traditional theory. Once again a combination of the theories in the areas above (economic) and below (responsive) will apply as consumers will not be as concerned with the price of a lawn mower as they will be with that of a car, but the price of a lawn mower will be more important than that of a candy bar.

Hierarchy-of-effects model: Vaughn suggested a learn-do-feel model as consumers may gather information (learn) about purchasing a new lawn mower, buy (do) it on the spot or come back later for the purchase and only develop a feel after the product has been purchased.

Creative, media and test implications: Once again combinations of the areas above and below will apply, as consumers would be seeking more information on a lawn mower than a candy bar, but not as much as compared to buying a car.

Medium involvement/emotional sextant:

Type of person: The *impulsive feeler*, is a combination of the feeler of the high involvement/emotional and the reactor of the low involvement/emotional areas. There will not be as much involvement here as in the area above, but more than in the area below.

Traditional theory. This, too, will be a combination of those found in the high and low involvement areas, as it is important that purchases are viewed favorably by peers (social theory) as well as what they can do for ego-gratification (psychological theory).

Hierarchy-of-effects model. The feel-do-learn model, as proposed by Vaughn, will be appropriate because consumers would develop a *feel* for a product, purchase it (*do*) and only afterwards *learn* about their new purchase.

Creative, media and test implications are guided, once again by combinations of the two areas bordering above and below.

The sextant grid is depicted on the next page.

	THINKING (Rational)	FEELING (Emotional)
HIGH	1. INFORMATIVE (Thinker) CAR-HOUSE-FURNISHINGS LEARN-FEEL-DO Economical Theory POSSIBLE IMPLICATIONS TEST: Recall Diagnostics MEDIA: Long copy format Reflective vehicles CREATIVE: Specific information Demonstration	2. AFFECTIVE (Feeler) JEWELRY-SPORTSCAR-PERFUME FEEL-LEARN-DO Psychological Theory POSSIBLE IMPLICATIONS TEST: Attitude change Emotion arousal MEDIA: Large space Image specials CREATIVE: Executional Impact
MEDIUM	COMBO 1 & 3 (Thinking Doer) LAWN MOWER-CREDIT CARD LEARN-DO-FEEL Economical/Responsive Theories POSSIBLE IMPLICATIONS TEST: MEDIA: CREATIVE: > Combinations of Areas 1 & 3	COMBO 2 & 4 (Impulsive Feeler) FASHION APPAREL-COSMETICS FEEL-DO-LEARN Psychological/Social Theories POSSIBLE IMPLICATIONS TEST: MEDIA: CREATIVE: > Combinations of Areas 2 & 4
LOW	3. HABIT FORMING (Doer) HOUSEHOLD ITEMS DO-LEARN-FEEL Responsive Theory POSSIBLE IMPLICATIONS TEST: Sales MEDIA: Small space ads 10-second IDs Radio & POP CREATIVE: Reminder	4. SELF SATISFYING (Reactor) CIGARETTES-LIQUOR-CANDY DO-FEEL-LEARN Social Theory POSSIBLE IMPLICATIONS TEST: Sales MEDIA: Billboards Newspapers POP CREATIVE: Attention

The main implication of acknowledging the two medium involvement areas is that products which were not really high or low involvement products before have now found a home where they truly belong. If one looks at how products are plotted on the FCB grid, one observes that the majority of products are dispersed around the dotted line separating the high and low involvement areas. It would thus appear only logical that most of these products would move into the two medium involvement areas. It would also appear that the main variable responsible for moving products from the high and low involvement areas would be price – thus, it would seem that only the most expensive products would remain high involvement products, with the least expensive products remaining in the low involvement areas.

The main characteristics of the sextant grid are:

- It eliminates confusion as products such as a car, a lawn mower, an expensive diamond ring and a pair of Nike athletic shoes are no longer plotted in the same quadrant.
- A different hierarchy-of-effects model applies to the aforementioned products: a learn-feel-do for a car versus a learn-do-feel for a lawn mower, compared to a feel-learn-do model for a diamond ring and a feel-do-learn model for Nike shoes.
- The creation of a medium involvement category allows greater flexibility, as strategists have to take into account that they are dealing with an area with characteristics which are made up of combinations of both the higher and lower areas; i.e., they are now dealing with an in-between area.
- It acknowledges that the purchasing decision cannot simply be determined in terms of high or low involvement alone.
- It is a more focused advertising efficiency model.

THE SEXTANT GRID AND ADVERTISING STRATEGY

There should be no doubt as to the role and importance of effective advertising strategy. But, it is certainly the area with which advertising educators experience most problems. The main drawback seems to be that students have great difficulties in differentiating between strategy and tactics (executions). Various educators have different methods of teaching strategy, but they all seem to agree that advertising strategy should **at least** address the following areas:

- Whom are we talking to?
- What do we want to tell them?
- How are we going to reach them?

Yssel & Walchle (1992) illustrated how the quadrant grid can be applied to teach students to write advertising strategy. In order to do this, "The authors have developed a 3-step process for students on where to place a product on the FCB grid."[13] It was necessary for the authors to develop this process because of the wide range of products which are located in a quadrant. In quadrant 2, for example, one would find both a diamond ring and a pair of Nike athletic shoes.

When using the quadrant grid to write advertising strategy, the plotting of a product is vital due to the wide range of products in each quadrant. But, when using the sextant grid to write advertising strategy, the plotting becomes less important, as products which are not truly high or low involvement products, are no longer part of these quadrants. These products have now moved into the two **medium involvement categories.** The characteristics of these areas are combinations of both the high and low involvement categories, thus solving the problem of gray products, i.e., products which do not really belong in either a high or low involvement area. **With the sextant grid it is**

crucial to determine in WHICH AREA a product would be plotted, rather than where in the area it should be plotted.

Per illustration: The author instructed his advanced advertising copywriting class to write a strategy for Tombstone Pizza. The advertising had to be directed at college students and they had to position Tombstone as an alternative to ordering out pizza. The students were requested to use the sextant grid when writing such a strategy and what follows is a summary of what the students experienced when they talked their way through the sextant grid. The students agreed that Tombstone would be plotted in the medium involvement/emotional sextant, and they found the implications of this to be:

- The consumer one is talking to has traits of both the feeler and the reactor, in other words, the strategist has to decide which is more pertinent. It would appear, considering the nature of the product, that the reactor would be dominant, i.e., consumers' logical interest would be hard to hold and short lived. In order to combat this, the creative executions will have to get their attention ("scream" at them) with some consistency.
- As far as the buying habits are concerned, it once again is a combination of affective and self-satisfaction and it should be obvious that the purchasing of a pizza would be more for self-satisfaction reasons than for affective purposes.
- A combination of the psychological theory (quadrant 2) and social theory (quadrant 4) apply, but once again, it should be obvious that the social theory would be dominant (consumers would rather buy the "right" pizza to meet with the approval of their peers).
- A new hierarchy-of-effects model applies – feel-do-learn. This implies that our advertising will have to let the consumer develop a

feel for the product which should be followed by the consumer's acting on this feel and finally, through our advertising, learning about the product.

- Implications for creative, media and testing. Based on the guidelines obtained from the medium involvement/emotional sextant, it was decided to select print as the primary medium and television as the secondary medium. Furthermore, it was also agreed to devise a strong sales promotions program which would complement the print and television advertising.

The following is the strategy which the students wrote for Tombstone pizza.

> *Advertising will inform the target audience, college students who are between 18 and 24 years old and members of Generation X, that Tombstone pizza is a great choice to make when wanting to have pizza. It is always available (whether in your refrigerator or the local grocery store – grocery stores, unlike pizza delivery places, do not close). Furthermore, it is less expensive than ordered-out pizza (price wise and no delivery driver to tip) thus saving students money. It also tastes great and your fellow students will think you are "cool" when you pop a pizza in the oven or microwave the next time they are around. The students will be reached through publications which they read, such as: Details, Spin, Rolling Stone and national inserts in student newspapers (U magazine). TV will be used as a secondary medium to remind them about the advantages of buying Tombstone instead of ordering out. These commercials will be aired during those television programs we know they like to watch: The Simpsons, Married with Children, Arsenio Hall Show and Late Night with David Letterman. Furthermore, as these students are reactors, i.e.,*

buying for self-satisfaction purposes, our advertising will have to scream at them in order to be noticed. But, we do not consider this to be enough for them to change from ordering out pizza to Tombstone and, therefore, we will support our advertising with a strong sales promotions program – both in store and other places where students could be reached, for example athletic and social events. We know students love pizza and the main task of our advertising will be to persuade them to eat Tombstone.

The preceding discussion includes the factors which strategists should take into consideration when writing strategy. The sextant grid makes this possible as it enables strategists to address the minimum requirements (whom are we talking to, what are we going to tell them and how are we going to reach them) for an effective strategy.

CONCLUSION

From discussions the author has had with colleagues at other universities, it became clear that they considered teaching their students to write effective advertising strategy a very demanding task. The reasons behind this varied from students' not grasping what strategy is, or not realizing that writing strategy is not a five-minute task, to the more common problem of confusing strategy with tactics, to mention a few.

The author firmly believes that the possibilities of the FCB grid as educational tool has not nearly been tapped. The FCB grid offers the educator **two** methods of teaching students to write advertising strategy. The purpose of this paper was not to offset the one (3-step process) against the other (sextant method) but rather to demonstrate the versatility of the FCB grid as an educational tool.

The author favors the sextant method because he considers it to be more complete and it also eliminates possible "where-do-I-plot-the-dot" confusion among students. Furthermore, as can be seen from the example which was discussed earlier, the sextant grid enables students, who do not have any practical experience, to talk their way through a more focused advertising efficiency model, enabling them to write a complete and effective strategy.

Whichever method is to be used, the author cannot emphasize strongly enough that the grid is not to be viewed as a manual for writing advertising strategy – rather, it should be seen as a guide for stimulating students' thought processes; something which is vital for writing effective advertising strategy as no manual exits for performing such a task.

NOTES

[1] Vaughn, R. 1986. How Advertising Works: A Planning Model Revisited. *Journal of Advertising Research*, 26(1):28.

[2] Zaltman, G. & Wallendorf, M. 1983. 2nd edition. *Consumer Behavior: Basic Findings and Management*. New York, New York: John Wiley:4

[3] How Advertising Works: An FCB Strategy Planning Model. 1979. Internal FCB information piece.

4 & 5 Ibid

[6] Weinstein, S., Appel, V. & Weinstein, C. 1980. Brain-activity Responses to Magazine and Television Advertising. *Journal of Advertising Research* 20(3):57

[7] Ratchford, B. T. 1987.New Insights about the FCB grid. *Journal of Advertising Research*,27(4):24-38.

8 & 9 Ibid

[10] How Advertising Works: An FCB Strategy Planning Model. 1979. Internal FCB information piece.

[11] Ibid

[12] Vaughn, R. 1980. How Advertising Works: A Planning Model ... Putting it All Together. *Journal of Advertising Research*, 20(5):32.

[13] Yssel J. C. & Walchle, M. N. 1992. Using the FCB Grid to Write Strategy. AEJMC. Montreal

REFERENCES

Albright, J. 1992. *Creating the Advertising Message*. Mountainview, California: Mayfield Publishing Company:17-38.

Bendinger, B. 1988. *The Copy Workshop Workbook*. Chicago, Illinois: The Copy Workshop:58-65.

Berger, D. 1985. The FCB Grid. ARF 31st Annual Conference and Research EXPO '85, New York.

Berger, D. 1986. Theory into Practice: The FCB Grid. *European Research*, 14(1):35-46.

The Consumer Mind: How to Tailor Ad Strategies. 1980. *Advertising Age*, 9 June:45-46.

FCB Reveals its 7-year-old Secret: Gridlogic. 1985. *Adweek*, 18 March:28.

Foote, Cone & Belding. 1987. A Guide to the FCB Grid. Internal FCB information piece.

Four Traditional Theories: How and Why the Advertising Industry Works. 1981. *Chicago Sun Times*, 10 June:90.

Jewler, A. J. 1992. *Creative Strategy in Advertising*. 4th edition. Belmont. California:Wadsworth:42-44

Kapferer, Jean-Noel & Laurent, G. 1985/6. Consumer Involvement Profiles: A New Practical Approach to Consumer Involvement. *Journal of Advertising Research*, 25(6):48-56.

Lavidge, R. C. & Steiner, G. A. 1961. A Model for Predictive Measurements of Advertising Effectiveness. *Journal of Marketing*, 25:59-62.

Moriarty, S. E. 1991. *Creative Advertising Theory and Practice*. 2nd edition. Englewood Cliffs, New jersey: Prentice-hall:54-58.

Patti, C. H. & Moriarty, S. E. 1990. *The Making of Effective Advertising*. Englewood Cliffs, New Jersey: Prentice-Hall.

Ratchford, B. T. & Vaughn, R. 1989. On the Relationship between Motives and Purchase Decisions: some Empirical Approaches in *Advances in Consumer Research*, 16, edited by T. K. Srull, Ann Arbor, Michigan: Association for Consumer Research:293-299.

Ray, M. L. 1973. Marketing Communications and the Hierarchy-of-effects in *New Models for Mass Communication Research*, II, edited by P. Clarke. Beverly Hills:Sage :147-176.

Ray, M. L. 1982. *Advertising and Communication Management*. Englewood Cliffs, Prentice-Hall.

Rothschild, M. L. 1984. Perspectives on Involvement: Current Problems and Future Directions in *Advances in Consumer Research*, 11, edited by T. C. Kinnear. Ann Arbor, Michigan: Association for Consumer Research:216-217

Vaughn, R. 1979. How Advertising Works. Worldwide meeting of FCB Research Directors. London.

Vaughn, R. 1988. How Advertising Works: Taking the FCB Grid into the Third Dimension. Advertising Research Foundation Copy Research Workshop. New York, New York.

Wells, W. D. *Planning for R.O.I. Effective Advertising Strategy*. Englewood Cliffs, New Jersey:Prentice-Hall.

Wells, W., Burnett, J. & Moriarty, S. 1992. *Advertising Principles and Practice*. 2nd edition. Englewood Cliffs, New Jersey: Prentice-Hall.

U.S. DEPARTMENT OF EDUCATION

OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT (OERI)

EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

REPRODUCTION RELEASE (Specific Document)

Please return to:
ERIC/RCS
150 Smith Research Center
Bloomington, IN 47408-2698

I. DOCUMENT IDENTIFICATION

Title: "USING THE FCB GRID AND THE 'LOST QUADRANTS' TO WRITE STRATEGY"

Author(s): JOHAN C YSSEL

Corporate Source (if appropriate):

Publication Date:

II. REPRODUCTION RELEASE

In order to disseminate as widely as possible timely and significant materials of interest to the educational community, documents announced in the monthly abstract journal of the ERIC system, Resources in Education (RIE), are usually made available to users in microfiche and paper copy (or microfiche only) and sold through the ERIC Document Reproduction Service (EDRS). Credit is given to the source of each document, and, if reproduction release is granted, one of the following notices is affixed to the document.

If permission is granted to reproduce the identified document, please CHECK ONE of the options and sign the release below.

CHECK HERE ➡ ☒ Microfiche (4" x 6" film) and paper copy (8½" x 11") reproduction

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY
[PERSONAL NAME OR ORGANIZATION,
AS APPROPRIATE]
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

OR

☐ Microfiche (4" x 6" film) reproduction only

"PERMISSION TO REPRODUCE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY
[PERSONAL NAME OR ORGANIZATION,
AS APPROPRIATE]
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

Documents will be processed as indicated provided reproduction quality permits. If permission to reproduce is granted, but neither box is checked, documents will be processed in both microfiche and paper copy.

"I hereby grant to the Educational Resources Information Center (ERIC) nonexclusive permission to reproduce this document as indicated above. Reproduction from the ERIC microfiche by persons other than ERIC employees and its system contractors requires permission from the copyright holder. Exception is made for non-profit reproduction of microfiche by libraries and other service agencies to satisfy information needs of educators in response to discrete inquiries."

SIGN HERE ➡

Signature: Yssel

Printed Name: JOHAN C YSSEL

Organization: BALL STATE UNIVERSITY

Position: ASST PROF

Where to send complimentary microfiche-->

Address: DEPT OF JOURNALISM, B.S.U.
MUNCIE IN

Zip Code: 47306

Tel. No.: 317-285-8211

Date: 9/6/94

III. DOCUMENT AVAILABILITY INFORMATION (Non-ERIC Source)

If permission to reproduce is not granted to ERIC, or, if you wish ERIC to cite the availability of the document from another source, please provide the following information regarding the availability of the document. (ERIC will not announce a document unless it is publicly available, and a dependable source can be specified. Contributors should also be aware that ERIC selection criteria are significantly more stringent for documents which cannot be made available through EDRS.)

Publisher/Distributor:

Address:

Price Per Copy:

Quantity Price:

IV. REFERRAL TO COPYRIGHT/REPRODUCTION RIGHTS HOLDER

If the right to grant reproduction release is held by someone other than the addressee, please provide the appropriate name and address:

EFF-53 (Rev 4 86)

BEST COPY AVAILABLE

GUIDELINES FOR COMPLETING THE REQUEST FOR REPRODUCTION RELEASE FORM

Under the present copyright law a reproduction release must be obtained for each document before it can be processed for the ERIC system. There are three options:

(Level I) Microfiche (4" x 6" film) and paper copy (8-1/2" x 11") reproduction

This option, which allows ERIC to make the document available on microfiche or in paper copy is most frequently chosen by authors. (77% of ERIC documents are entered as Level I.) This arrangement does not preclude later publication of the document or sale of a printed version by author or institution. However, if you have a limited supply of printed copies or if the document should go out of print, a copy of your document from which other copies can be made will always be available in ERIC.

(Level II) Microfiche (4" x 6" film) reproduction only

This option allows ERIC to make the document available throughout the system on microfiche only. It is most useful if you have a large supply of printed copies but would like to refer requestors to ERIC once your supply is exhausted. This arrangement does not preclude later publication of the document, or sale of the printed document by the author or institution. The ERIC copy of the paper serves an archival function. (13% of ERIC documents are entered in this way.)

(Level III) Document may not be reproduced by ERIC. (Complete Section III of the form.) The document will be cited with bibliographic information, an abstract, and availability information.

NOTE: It is recommended that materials be submitted at Level I or Level II to insure their future availability.

ANTITRUST AND THE MARKETPLACE OF IDEAS:

THE CONTINUING PROBLEM OF ISSUE ADVERTISING ACCESS TO BROADCAST TELEVISION NETWORKS

Linda S. Henson
Department of Mass Communications
Eastern Kentucky University
Richmond, KY 40475
(606) 885-7690 or 622-1871

Paper Submitted to Advertising Division
Special Topics Paper
AEJMC Annual Convention
Atlanta, August 1994

ANTITRUST AND THE MARKETPLACE OF IDEAS: THE CONTINUING PROBLEM OF ISSUE ADVERTISING ACCESS TO BROADCAST TELEVISION NETWORKS

Over the last thirty years, various businesses and groups have increasingly used issue advertising as a means of access to mass media to inform or voice opinions on controversial public issues, defend themselves or their viewpoints, or to otherwise contribute to the public debate on issues in the *marketplace of ideas.*[1] While businesses have gained easy access to the mass media to present *economic ideas* regarding products, services and related commercial messages, advertising from businesses and others wanting to use commercial positions to discuss *controversial issues* is not allowed by the three broadcast networks: ABC, CBS and NBC.[2]

Even with the variety of alternatives for reaching the public through other categories of media that accept issue ads, the broadcast networks constitute an information marketplace unique from other media marketplaces. Issue advertising access to the networks can be vital, particularly to advertisers wanting to reach the networks' combined 50-plus share of the national audience during week night, prime-time viewing hours ("Broadcasting & Cable Ratings Week," 1994, p. 27). Refusals of these ads by the networks could be viewed as creating a "blackout for issue speakers wishing to reach television's largest audiences" (Brown, 1988, p. 468).

Such censorship in a *major media market* appears unfair and overly restrictive--particularly in light of issue advertising's status as a category of noncommercial speech which positions it at a level of First Amendment protection essentially equivalent to the freedoms of expression afforded the press, political speech and religious speech.[3] Thus, issue advertising does not enjoy the media access so permissively given its less-protected, government-regulated counterpart, commercial speech.[4]

The networks' policies against the acceptance of issue advertising in recent years appear particularly troublesome in that ABC, CBS and NBC are themselves corporate media conglomerates and are among the nation's most powerful and influential of media institutions. They have welcomed business' product and service commercials which virtually undergird and essentially support the networks and other categories of mass media. So, their censorship of advertising content that may affect the political, social, moral, and economic climates of these businesses, or of nonprofit groups and others wanting to buy issue advertising appears discriminatory. Of course, issue ads may cause the networks problems. To allow such ads might open the gates to rebuttals of the networks' views; or to ads defending a group against media's misrepresentation of them; or to advertising content that comments particularly on significant national issues the networks may have ignored, overlooked, muddled, misreported, censored, or reported with a bias. But to censor these ads seems inconsistent with the concept of fair competition in a marketplace of ideas. However, the networks' prohibitive policies preventing issue ads may be so significant as to influence or even restrain advertisers' economic viability in the free market system--a system which today appears inextricably linked to the "idea marketplace" where the public's opinions and uses of information can have tremendous impacts on business. At the very least, the networks' issue advertising policies may be viewed as inhibiting "trade" in the marketplace of ideas by *restricting* rather than *expanding* the number of voices.

In the economic marketplace, federal and state antitrust laws prevent unfair economic competition. But, particularly in broadcasting's sector of the marketplace of ideas (which traditionally has received regulatory intervention, in part because of inequities in market entry), almost no regulations provide "antitrust-like protections" to prevent unfair idea trade and balancing. One such antitrust protection could come in the form of a right of access for nonmedia participants to participate in a fair competition for ideas in at least the commercial forums of broadcast television. A major exception has been made, of course, for those engaged in political arenas where the Communications Act's provisions (Sections 312 and 315) may allow qualified political candidates advertising access to broadcast media during campaigns. Also, the former Fairness Doctrine had provided a type of antitrust regulation for limited public access (including, at times, commercial access) to the marketplace of ideas.

While no studies specifically linking antitrust concerns with broadcast issue advertising access provisions have been found, an antitrust notion on the topic appears in the U.S. Supreme Court case, Columbia Broadcasting System v. Democratic National Committee (1973) [hereinafter cited as CBS v. DNC]. Even though the Court developed a rationale for not requiring broadcasters to accept issue advertising, the Court espoused the value of this genre of advertising and alluded to the *absence of evidence* that the broadcast television networks were collectively restricting issue ads and noted that *the former Fairness Doctrine provided for the balancing and coverage of controversial issues of public importance.* It appears that the Fairness Doctrine, discarded by the FCC in August 1987, had essentially represented an antitrust law for the marketplace of ideas--obviously to prevent monopolistic and biased *idea marketing.* Today, we are still absent the Fairness Doctrine and the broadcast networks all have policies against the acceptance of issue advertising.

Historically and presently, there are convincing arguments for proposing antitrust laws for the marketplace of ideas. For consideration here, the example of the networks' almost-uniform administration of policies that censor issue advertising is focused upon in order to *illustrate* the use of media power to limit a viable and worthwhile category of expression in a unique market of the marketplace of ideas.

A major purpose of this paper is to highlight the need for antitrust laws for the marketplace of ideas, especially laws that would provide for issue advertising access to the broadcast networks. The paper briefly examines the nature of antitrust laws in the free market system and then turns to significant antitrust cases involving mass media, commercial broadcasting, the broadcast networks, the National Association of Broadcasters' Television Code, and advertising acceptance by media. Where applicable, case findings are accompanied by comments on the problem under study. The paper then examines the concept of the "marketplace of ideas" in the broadcast environment, the Marketplace vs. the Trusteeship approaches to broadcast regulation, and broadcast regulatory precedents employing antitrust principles to the marketplace of ideas--particularly emphasizing media issue advertising access. Finally, questions and potential answers are posed that need to be considered in making a case for the development of antitrust laws for the marketplace of ideas.

Antitrust Laws: A Brief Background

U.S. antitrust laws, initiated in the late 1800s, to maintain and encourage a competitive free market system are administered essentially to protect businesses from each other--forbidding particularly any conspiracies or contracts that restrain trade. Cornerstone pieces of federal legislation from 1890 through 1950 have provided hybrid policies that are both "regulatory policy and an alternative to regulation" (Meier, 1985, p. 232).

Federal antitrust laws are administered through the Antitrust Division of the U.S. Department of Justice which sues businesses for damages and violations of antitrust laws. The Antitrust Division shares civil authority with the Federal Trade Commission (FTC) which makes rules and pursues antitrust violations through administrative hearings. The Federal Communications Commission (FCC) can also participate in antitrust cases involving broadcast media. Other provisions for antitrust actions are found in state laws patterned after federal ones; these laws add further recourses for the prosecution of businesses acting to restrain trade and fix prices. Further, individuals have the right to file private antitrust suits against corporations (Meier, 1985, p. 233).

Media and Antitrust Law

Despite the First Amendment, the courts have held that antitrust and other generic business laws apply to media. While "antitrust laws are designed to deal with the economic marketplace and not the marketplace of ideas," according to Busterna (1989, p. 11), and while media bias or media's ability to inform and entertain are not concerns for these economic-based antitrust laws, there is nevertheless an "interference" of business-related regulation that can impact media's roles as press and entertainer.

In AP v. National Labor Relations Board, (1937), the U.S. Supreme Court held that media are *not exempt* from regulations that apply to other industries by virtue of their First Amendment protections. *Media's subjugation to antitrust laws* was demonstrated in a leading Supreme Court case decided in 1945 in Associated Press v. United States, [hereinafter cited as AP v. U.S.]. The Court addressed the right of the AP to exclude an applicant from subscribing to its wire services--which in this case was construed both as a restraint of trade and commerce and as an attempt *to monopolize the news business*. The Court held that the First Amendment could not be used to avoid following business laws affecting others. Justice Hugo L. Black said that the Sherman Act covers all alike and "the fact that the publisher handles news while others handle goods does not . . . afford the publisher a peculiar constitutional sanctuary in which he can with impunity violate laws regulating his business practices" (AP v. U.S., 1945, pp. 8-10).

Further, Justice Black noted that freedom to publish is a Constitutional guarantee "for all and not for some," but combining to restrain others from publishing is not. Justice Black continued,

> Freedom of the press from governmental interference under the First Amendment does not sanction repression

> of that freedom by private interests. *The First Amendment affords not the slightest support for the contention that a combination to restrain trade in news and views has any constitutional immunity.* (AP v. U.S., 1945, p. 20 [Emphasis added])

In applying the ruling to the problem of issue advertising access to the networks, it should be noted that since *freedom to broadcast is not a constitutional guarantee for all*, the networks' combination of restraining issue advertising (with its First Amendment protections) as a form of "news and views" (not unlike those the networks themselves offer as "products" under the other forums of news and programing) effectively and truly is an antitrust concern for both the economic and idea marketplaces.

In supporting arguments in AP v. U.S. (1945), Justice Frankfurter emphasized that the commercial press is unique from other regulated businesses in its *public interest obligations*. Citing the case's lower court argument, Justice Frankfurter endorsed Judge Hand's contention that newspapers serve the most vital of interests in disseminating news

> with as many different facets and colors as is possible. That interest is closely akin to, if indeed it is not the same as, the interest protected by the First Amendment; it presupposes that right conclusions are more likely to be gathered out of a multitude of tongues than through any kind of authoritative selection. To many this is . . . folly; but we have staked upon it our all. (Justice Frankfurter, AP v. U.S., 1945, p. 28, quoting Judge Learned Hand in United

> States v. Associated Press, 1943, p. 372) [hereinafter cited as U.S. v. AP]

Thus, the First Amendment is intended for the protection of disseminating news and opinion, but it cannot give those in this type of business "an exemption from laws generally regulating business activities" (Holsinger, 1987, p. 472). Even though the case addresses print media, how much more today do broadcast networks serve a vital interest of disseminating news? Interestingly, national and local newspapers and magazines have allowed issue ads to add to their dissemination of news and views. Issue ads might also add to the multitude of tongues and to networks' contributions to "right conclusions". As numerous publications permit forms of media access to freelance writers, letters-to-the-editor and issue advertising, the broadcast networks should also permit some degree of access for nonmedia speakers with news and views different from their own--particularly in light of the trend in recent years where advertisers have sought to inform, "report", editorialize or to otherwise offer opinions through advertising.

Antitrust and Commercial Broadcasting

While the Justice Department's Antitrust Division and FTC are responsible for enforcement of antitrust laws, confusion has arisen in broadcast regulation regarding jurisdiction of the FCC when its regulations overlap with or contravene antitrust laws. Essentially, the FCC regulates broadcast ownerships and business practices. The Justice Department has filed few actions against broadcasters and often defers broadcast antitrust actions "to the

FCC on matters of broadcast ownership, despite the FCC's lack of authority to enforce antitrust laws except indirectly through the licensing process" (Overbeck & Pullen, 1992, p. 391). To clarify, although the FCC is not empowered to decide antitrust issues, antitrust laws do indeed have a direct application to the broadcast industry. Further, "FCC regulation does not prevent federal courts from enforcing the antitrust laws, since they retain jurisdiction to decide antitrust issues regardless of conflicting Commission action" (Cherchiglia, 1984, p. 486).

One area of much debate, however, is the area of interpretation of broadcasting's public interest regulatory obligations (Cherchiglia, 1984, p. 487). Congress has viewed the public interest in the economic marketplace to be that of free and fair competition, according to its antitrust laws (Cherchiglia, 1984). While often holding similar views, the FCC has had to consider both this broader economic view, along with the environment of its broadcasters' idea/entertainment marketplace. In the latter climate, the FCC has construed the public interest to mean preventing overcommercialization--that is, not allowing too many commercials within a given time period. An example of an indirect conflict between antitrust and FCC regulatory thinking developed over the National Association of Broadcasters' (NAB) Advertising Code, which, consistent with FCC thinking, restricted the number of broadcast commercials. The Justice Department found the Code a violation of antitrust law; a District of Columbia district court upheld the finding.[5]

Further, while antitrust suits are found throughout broadcast history in instances of apparent media monopolization (such as takeovers and mergers that increase concentrations of media ownerships) and in cases of restraint of trade, the trend toward deregulation--which leaves broadcasting to containment by market forces--may precipitate additional antitrust suits. Observing the substitutions of antitrust law for communications policy in the 1980s, Head and Sterling (1987) project that antitrust law's "importance to the communications industries may well increase as a consequence of marketplace-based deregulation" (p. 454). Cherchiglia's (1984) proposal for broadcast advertising regulation includes an examination of "the utility of 'market discipline' as an effective regulator of television advertising" (p. 465). However, the *caution* to be noted is that existing antitrust laws may be inadequate or not expansive enough to be "substituted" as an application to the unique character and freedoms of expression exercised in the marketplace of ideas. Existing antitrust laws *plus* applications of principles and freedom of expression doctrines need to be fairly balanced in regulation. It may be dangerous to leave particularly the television broadcast (and cable) marketplaces of ideas solely or even predominantly to the effects of economic market discipline.[6]

Antitrust and the Broadcast Networks

Intermittently, antitrust suits (or threats of suits) have influenced trends in the operations, growth, and development of the broadcast television networks and their predecessors, the radio networks. The broadcast networks have been the target of several major antitrust and FCC rulemaking actions intended to diminish their dominance and autocratic practices in the broadcast industry.

These antitrust-related actions have included: (a) the FCC's 1941 order of the separation of the Red and Blue radio networks owned by NBC; (b) a 1943 Supreme Court case (referred to as "the Network Case," National Broadcasting Co. v. United States (1943) [hereinafter cited as NBC v. U.S.], upholding the FCC's authority "to issue regulations pertaining to business arrangements between networks and their affiliates" (Kahn, 1984, p. 125) and to determine the composition of the traffic on the airwaves; (c) a dozen FCC rules limiting the autocratic business "dealings between the commercial television networks and their affiliated broadcast stations and program suppliers" (Besen, Krattenmaker, & Metzger, 1984, p. 1, with reference to 47 C.F.R. Section 73.658, 1983) which were based on a series of FCC studies, from 1955-1970, on the monopoly role of the networks and the expansion of television; and (d) the FCC's 1970 "Prime Time Access Rule" (PTAR), which reduced network nightly programming to three hours and was intended to give more focus to local television production, to broaden and balance the offerings in public affairs, education, among other types of programing, and to restrict network ownership and distribution of independently produced programs.

On the heels of the FCC's effort to diminish the networks' dominion of local stations, the Justice Department, in April 1972, brought antitrust suits against all three networks removing their control, ownership and syndication rights from prime-time programing. The cases were settled with consent agreements, referred to as the financial interest and syndication (fin-syn) rules. However, these rules were reformulated with the FCC in April 1991 and were "gutted" by the Commission in April 1993 (Jessell, 1993, p.

7). Most recently, in July 1994, the U.S. Court of Appeals in Chicago affirmed the FCC rule barring the networks from the domestic syndication business at least until November 1995 and held them to a few remaining restrictions left over from the FCC's revisions of the 1991 and 1993 rules. In summary, the networks are now permitted to acquire financial interest and syndication rights to programs they air, but they are not allowed to "domestically syndicate prime time network and first-run programs or withhold network programs from syndication" until November 1995 ("Court Keeps Big Three Out," 1994, p. 15). These current and impending releases of the networks to compete with other program syndicators appear to *strengthen* the networks' positions in the marketplace of (entertainment and information) *ideas*.

Historically, other FCC intrusions into the economic developments of radio and television networks have strengthened the dominance of the "big three" broadcast television networks. The networks' development in essence has been the result of a "confluence of avoidable FCC policy choice[s]--especially those allocating the VHF and UHF spectrum and others designed to block the growth of pay and cable television--[which] virtually assured that only three national, full-scale television networks would succeed" (Besen, et al., 1984, p. 165). Since these policies have been essentially abandoned or mitigated and new television technologies have evolved, the domination of the three networks appears to be subsiding.

Yet, despite the number of cable channels available and rumors of a dismal future for the networks' survival, the current prognosis is that the networks will continue to survive (Jessell 1993, p.

20). Further, their financial pulse appears strong. In 1993, ABC, CBS and NBC together reaped revenues of $7.88 billion and profits of $466.7 million. Counting all broadcast holdings (radio, owned and operated stations, cable interests, among others), the networks' total revenues for 1993 were $11.275 billion and their combined profits from broadcast holdings were $1.595 billion (Foisie, 1994, p.6).

Thus, despite the networks' experiences with antitrust suits, the government has been generally lenient with the networks and has interceded to reinforce their powerful position among national television media. In light of their continuing economic viability, government lenience in recent fin-syn rulemaking, and the networks' prime-time dominance, ABC, CBS and NBC appear to prosper as formidable corporate media giants who need not totally exclude issue advertising from the array of idea and information "products" they deliver to the marketplace of ideas.

Antitrust and Television Advertising: The Demise of the NAB Code of Good Practice

Another way the broadcast networks have been linked to antitrust concerns was through their adherence to the National Association of Broadcasters' (NAB's) former television advertising code. Since 1939, the NAB has led the broadcast industry as an advocate of self-regulation, intending to obviate regulatory interference from the FCC and other government regulatory agencies. In its essentially "proactive" efforts to initiate a form of self-regulation for the television industry, the NAB established its first television code in 1952 to assist broadcasters in meeting their legal obligations and in improving the quality of television advertising and programming. Within the original and 21 subsequent versions of the Code (Cherchiglia, 1984) were guidelines for programming, as well as certain restrictions on advertising--including a restriction *against the airing of issue advertising.*

By the late 1970s, about two-thirds of the television broadcast stations and all three television networks subscribed to the voluntary code. Members not found in compliance with the Code were suspended and prohibited from exhibiting the "NAB Television Seal of Good Practice" (Cherchiglia, 1984).

After two major legal controversies over certain elements of the Code--a First Amendment offense in 1976 and antitrust violations in the early 1980s--the NAB terminated it in late 1982. Specifically, in 1976, the NAB was forced to suspend the Code's programming standards when a U.S. district court in Los Angeles judged the family viewing standards as violations of the First Amendment (Cherchiglia, 1984). In the early 1980s, the Justice Department objected to the NAB's: (a) monopolistic rules in its advertising code wherein limitations were set on the number of commercial interruptions in a program and the number of commercials that could be aired within an hour, and (b) its "multiple product rule" which limited to two the number of different products that could be promoted within a minute (Pember, 1987, p. 632). The Justice Department viewed the rule as increasing demand on commercial time, which caused some advertisers to *have to buy more time than necessary to mention their products.* Since all three commercial broadcast television networks and most stations subscribed to the NAB Code, the Justice Department perceived the practice as a restraint of trade and a violation of the Sherman Act (Pember, 1987, p. 632). A U.S. district court in Washington DC agreed with the Justice Department (United States v. National Association of Broadcasters, 1982).

Yet, even after the demise of the NAB Code in 1982, vestiges of it appear to have remained in policies of station and network broadcast media. It is likely that the networks' policies against issue advertising have roots in the NAB's code against this genre of advertising. But the Code was never specifically attacked for its policies against issue advertising.

Today, because advertisers must perhaps buy more advertising time or space in other media to reach the similar audiences the networks deliver, and because national advertisers who buy time on the networks for product advertising must turn to other media to buy issue advertising, it would appear to have an effect similar to the antitrust problem of the "multiple product rule"--that is, for the advertiser to have to "buy more time than necessary." Could then this element of the NAB Code's and the networks' policy restrictions against issue advertising be considered antitrust violations today?

Antitrust and Advertising Acceptance by Media

In a 1951 Supreme Court case, Lorain Journal Company v. U.S. [hereinafter cited as Lorain Journal], a newspaper refused advertising from advertisers who placed ads with a local radio station. The Court determined that the newspaper's policy of refusing these ads was based on the paper's intention to drive its competitor (the radio station) out of business. Additionally, because the paper was the only means merchants had for reaching most of their customers in the market area, the paper's refusal of advertising was a threat to merchants. The newspaper maintained its editorial right to refuse advertising, but the Court interpreted that *antitrust laws create "an exception to the publisher's right to refuse advertising"* (Overbeck & Pullen, 1992, p. 377 [emphasis added]). The Court ordered the Lorain Journal to comply with an injunction issued by the U.S. district court in the case, which had ordered that the paper not "discriminatorily refuse advertisements--or to *attach discriminatory conditions* in accepting advertisements--against persons or businesses who advertised in other media" (Nelson, et al., 1989, p. 646 [emphasis added]).

Other cases have established that despite media's monopolistic or oligopolistic positions as businesses, media "may not be required to deal with persons or entities with whom they do not wish to deal, at least in the absence of anti-competitive intent" (Sack, 1984, p. 219). However, in 1983, the Supreme Court added an antitrust caveat to this generalization. In Home Placement Service, Inc. v. Providence Journal Co. (1983), the Court determined, "Where the medium is the only avenue for a competitor's attempt to compete with it, *the medium's refusal to deal may constitute a violation of the antitrust laws*" (Sack, 1984, p. 219, emphasis added).

Viewing these cases' findings with application to the networks' issue advertising policies, it appears that the networks are not overtly trying to drive anyone out of business and, granted, there are other media channels for advertisers. But, again, the networks are very dominant vehicles for reaching advertisers' target audiences in the national market. Further, while the networks have an editorial right to refuse advertising, the point has already been made and can be reiterated here that their discriminatory refusals of issue ads *can* affect a business' viability in the marketplace and has the effect of "driving out the competition" of ideas in issue ads that may disagree with those of the network-as-idea-competitor or ideas that compete with other ideas expressed in commercials, news, entertainment or other programing presented by networks.

Again, issue advertisers may find the networks the most economically-feasible, most desirable and most efficient means of presenting their issue ad message to a mass national audience--as did Ross Perot in September 1992 when he returned to his campaign as a *Presidential candidate* in order to gain (at least political) access to the networks which had been denied him as an *issue advertiser*. In Perot's case, his "competitors" were presidential candidates whose campaigns (and subsequent news coverage) were ignoring national economic and political issues Perot and his supporters thought to be of monumental significance.

The point has be made that it appears unfair to the marketplace of ideas for the networks to discriminantly refuse "to deal" in controversial issue advertising sales. An addendum to that problem is that of the networks' sometimes inconsistently apply these policies in that they infrequently have allowed certain advertisers an "inlet" to espouse certain issues in their product ads. For instance, the networks have allowed issue-like ads from Chrysler that were viewed "jabbing" the (Japanese) automaking competition; and they allowed ads from Philip Morris that implicitly advocate smokers' rights in their ads commemorating the bicentennial of the U.S. Bill of Rights. However, implicit controversial issues in commercial advertising may be viewed as "nothing new." It has been and may again be argued that any product commercial could be potentially controversial in that there likely are at least two sides to the point of view proposed. (See Banzhaff v. FCC, 1969 and Friends of the Earth v. FCC, 1971.).

Next, the paper's focus turns to an examination of the concept of the marketplace of ideas and a more specific application of antitrust principles to that marketplace, particularly as they pertain to the television broadcast environment.

The Concept of the Marketplace of Ideas

The "marketplace of ideas" is a concept traceable to the views of John Milton and John Locke (17th century) as well as to those of John Stuart Mill (19th century) who proposed that freedom of expression is important for the social good and that government or any individual should not decide for the people what truths they should hear or believe. The First Amendment of the U.S. Constitution embodies these concepts. Mill, himself an economist, saw this idea marketplace as one where freedom of thought, discussion, and investigation are "'goods in their own right' [where] . . . [p]eople could trade their false notions for true ones, but only if they could hear the true ones." (Carter, Franklin and Wright, 1985, p. 23). The concept of the marketplace of ideas was particularly recognized in American law by U.S. Supreme Court Justice Oliver Wendell Holmes, who offered that an ultimate good can better be reached when ideas are tested by *fair competition* and suggested that "the best test of truth is the power of the thought to get itself accepted in the competition of the market" (Abrams v. United States, 250 U.S. 616, 630, 1919).

Though perhaps less tangible than the dollars of the economic marketplace, the ideas and information exchanged in today's marketplace of ideas often are measured by the "currency" of: percentages from public opinion surveys, commercials' gross impressions, the number of phone calls reacting to an issue, media ratings and circulation figures, and votes in Congress and political campaigns. Such "currency" may significantly impact businesses' "bottom line", the viability of a non-profit group, the public support of a cause, the success of a presidency or issue campaign, the destiny of a country, and even the determination of guilt or innocence of an individual, company or other group on trial in the "court of public opinion" or a court of law.

Certainly, the marketplace of ideas and the economic free market system may be viewed both as separate marketplaces with their own dynamics of "trade" and as marketplaces so intertwined with one another that the survival of many businesses virtually depends on the communication of economic ideas and admittedly-biased information about their products and services through media advertising. Further, the two marketplaces mesh in the sense that information and ideas are themselves marketable products via media or business. Thus, as alluded to earlier, principles of U.S. Antitrust laws that have been applied in the free market system have been applied to mass media, and they perhaps may further be adapted to apply to the marketplace of ideas.

However, broadcasting's marketplace is rather unique and special precautions must be exercised to assure fair competition of ideas there. To reiterate a point made earlier, to view the broadcast marketplace solely as an economic market and to disregard its place and value in the marketplace of ideas appears restrictive (and perhaps dangerous) to our freedoms of expression of ideas. The following section addresses the character of two approaches to broadcast regulation--one which highlights a predominantly economic market view of broadcast regulation, the other which considers freedoms of expressions and more fair competition of ideas in an both an idea and economic marketplace.

Models for Broadcast Regulation:
The Marketplace vs. the Trustee Approach

Until 1981, broadcast regulation was dominated by a "Trusteeship Model" suggesting that a broadcast station "must be operated as if owned by the public" or as if the station were turned over to the best administrator with the injunction that the station be managed in the interest of the public it served ("The Federal Radio Commission and the Public Service Responsibility of Broadcast Licensees," 11 Fed. Comm. B.J. 5, 14, 1950). This model is used to safeguard the First Amendment rights of non-licensees who do not have the equal opportunity to enter the broadcast marketplace as they might enter other media businesses or communications forums. Broadcast licensees are viewed as "holding a public trust in exchange for which they must perform certain prescribed duties" (Zaragoza, Bodorff and Emord, 1988, p. 30). Further, the model focuses on the right of the public to be informed and posits that the broadcast media are part of the public domain.

In the 1980s, with the apparent erosion of the notion of spectrum scarcity (a major theoretical timber undergirding the Trusteeship Model) and with new competition from cable television which "sidesteps the spectrum question by transmitting by wires instead of air" (Brenner and Rivers, 1982, p. 11), a "different concept of the 'public interest' has become predominant in commission regulatory policy: A Marketplace Approach to broadcasting" (Zaragoza, et al., 1988, p. 30).

Under the Marketplace Approach to broadcast regulation, the broadcaster is given a far superior advantage to other speakers in the marketplace of ideas. In this approach, market forces and not regulators determine the "public interest", the broadcast media are not necessarily part of the public domain, scarcity is nonexistent, and First Amendment protections for the broadcaster supersede those of the public--that is, the "right of the broadcaster to speak predominates" (Zaragoza, et al., 1988, p. 30).

In August 1987, in apparent support of the Marketplace Approach to broadcast regulation, the FCC pulled down a central timber supporting the Trusteeship Model, the Fairness Doctrine, which had served as a safeguard to avoid monopolies of ideas and imbalanced presentations of controversial issues by a broadcaster.

What has happened then in the broadcast regulatory arena has been both *liberating* to broadcast markets and *restrictive* or even dangerous to protecting the rights of speakers who want to enter the idea marketplace via broadcast media. The Marketplace Approach to broadcast regulation prohibits others in the marketplace of ideas any voice and it "acts" as if broadcasting is a business almost like that of print media and other businesses. The Marketplace Approach ignores the unique economic and communications characteristics of broadcasting recognized in early its regulation.

In 1947, Chafee suggested that "'a free market requires regulation, just as a free market for goods needs law against monopoly . . . . The government can lay down the rules of the game which will promote rather than restrict free speech'" (quoted in Carter, et al., 1985, p. 26). In 1967, Barron saw the marketplace as "an antiquated concept that no longer works because of changes in the media and society since 1791" (Carter, et al., p. 27) and proposed that the cost to buy a media outlet was prohibitive and the number of channels then as limited. He found that media limited the views they published or aired and permitted few new or unpopular ideas. (The same still appears true today.) Barron proposed remedies to the problem of limited views in the marketplace of ideas that would provide rights to *purchase editorial ads* in newspapers and a right of reply in newspapers for defamed public figures and officers; he later proposed a right of access to broadcast media as well (1973).

Certainly, the broadcast and cable television marketplaces have availed many more opportunities for speakers on television. But both broadcast and cable regulation must continue to guard against inequities or unneeded restrictions in the marketplace of ideas. A right of access--particularly issue advertising access--to media appears an opportunity worth providing.

In the Marketplace Approach vs. the Trusteeship Approach to broadcast regulation, the former favors the broadcaster as speaker the marketplace of ideas. The Trusteeship Approach shows more concern for the marketplace of ideas and issue advertising access.

While both approaches to broadcast regulation are flawed, the marketplace of ideas nevertheless is in need of regulation that is more comprehensive than both approaches so as to allow a wider variety of speakers opportunity for expression. As a partial answer to the dilemma, Barron's suggestion of providing rights of access to all media seems worth re-consideration.

Precedent "Antitrust" Laws and Regulations for the Marketplace of Ideas

Currently, an affirmative right of access for certain qualified speakers to broadcast media is provided by Sections 312 and 315 of the Communications Act.[7] But public businesses, nonprofit groups or any other entity, have no such right of access.

The Fairness Doctrine required broadcasters to devote a reasonable amount of broadcast time to contrasting viewpoints on controversial issues of public importance and provided opportunities for the presentation of contrasting viewpoints--which could mean providing public access for issue advertising, program appearances by advocates or other means for balancing viewpoints. However, after the demise of the Fairness Doctrine in August 1987, the marketplace of ideas was virtually stripped of legal provisions for an affirmative right of access to broadcast media for either commercial or noncommercial speakers to engage in public discourse in broadcasting's corner of the market. Thus, no law requires the networks or any media to present contrasting viewpoints in the idea marketplace or to accept issue ads (even though many media do accept the ads). Also, no regulatory provisions exist that insure businesses or groups can use their advertising access to media to comment on noncommercial, issue-related ideas.

Congress often threatens to reinstate the Fairness Doctrine through codification (Sukow, 1993, p. 32). But even if the doctrine returns, more attention needs to be given the application of antitrust principles to today's marketplace of ideas.

To examine the Fairness Doctrine's precedent of applying antitrust principles to avoid monopolization of ideas in a broadcasting marketplace (as well as protecting idea competitors against unfair competition), the next section outlines significant Supreme Court thinking in a major case relating to both the Fairness Doctrine and issue advertising.

The Former Fairness Doctrine: An Antitrust Regulation for the Marketplace of Ideas?

In the 1970's, the FCC and the Supreme Court observed the value of issue advertising access in the 1974 FCC Fairness Report, and in CBS v. DNC (1973). In CBS v. DNC, the Court alluded to the analogy of the Fairness Doctrine as an antitrust law for the idea marketplace.

In CBS v. DNC (actually two Supreme Court cases heard and decided together) the right of editorial or issue advertising access to the broadcast media was tested. In both cases, the petitioners, the Business Executives' Move for Vietnam Peace (BEM) and the Democratic National Committee (DNC), had not attracted attention to their controversial views through newsworthy activities, but sought instead to get a direct hearing from the general public through the purchase of advertising time on radio and television. In the case, the Court acknowledged the petitioners' contention that their expression "on those media--and, therefore, the public's access to their views--is significantly inhibited by broadcaster policies barring any and all paid editorial messages from the airwaves," but the Court failed to provide any affirmative right of access to broadcast media if broadcasters met their "public obligation to provide full and fair coverage of public issues" (p. 97).

Justice Potter Stewart, in his concurring opinion in CBS v. DNC commented, "[I]t is not the case that a seller of goods is granted instant access to the media, while someone seeking to discuss war, peace, pollution, or the suffering of the poor is denied this right to speak" (CBS v. DNC, 1973, p. 143). Specifically, at that time, Justice Stewart saw no indication of any uniform policy of broadcasters' turning down "controversial" or "editorial" advertising--noting that the Business Executives' advertisements were rejected merely by a single radio station, and that *of the three television networks, only one* had "turned down the Democratic National Committee's request for air time." (CBS v. DNC, 1973, p. 143). Justice Stewart reasoned that it would be in the public interest for these ads to air, but he would not suggest that all broadcasters be required to air them, nor would the public interest dictate that.

Further, the Court saw the Fairness Doctrine as an asset not just for speakers, but the Doctrine also provided "the listening and viewing public with access to a balanced presentation of information on issues of public importance" (CBS v. DNC, 1973, p. 112).

Also, the case cleared up another question of a right of access to media relevant to the problem under study here. Out of a series of lower court cases had come a little-noted "established forum doctrine" which followed the rationale that if a media forum were available for commercial advertisements, then it must also be open to noncommercial editorial or issue-related ads. Further, the doctrine held that to "ban editorial ads would violate the constitution as a discrimination between classes of ideas, which is prohibited by the First Amendment" (Meeske, 1973, p. 420). The case for this doctrine was lost in the 1973 CBS v. DNC decision. However, a re-visiting of the question in the context of present-day commercial, economic, political and regulatory environments (and taking into account the antitrust concerns outlined herein) seems worthwhile. Thus, if viewed in the light of antitrust provisions and if deemed constitutional, the established forum doctrine could contribute to a right of issue advertising to broadcast media.

Conclusions and Discussion

While antitrust laws in the free market system provide for and protect fair economic trade, the marketplace of ideas essentially has no such provisions to assure fair trade of ideas in a democracy dependent on an informed electorate, or to assure even to assure fair economic trade using ideas in a free market system dependent on fair communication and access to mass media. Despite the increase in the number of "information highways", a majority (69%) of Americans still get most of their news from television (Granger, 1991) and, in May 1994, ABC, CBS and NBC, combined, attracted a 50-

share of American viewers during prime-time evening viewing hours. Thus, network television is well-positioned to inform Americans and provide for a viable exchange of ideas in the marketplace of ideas.

While the broadcast networks have historically provided qualitative national news and public affairs programs, entertainment programing, and a wealth of commercial information for the public's economic decision-making, the networks have not found a reason for allowing controversial issue advertising.

This paper has made the point that the networks' practices and policies of censoring controversial issue advertising has the effect of restraining rather than expanding competition in the idea marketplace, particularly in the national television broadcast market. Certainly, issue advertisers may go to other media, but no media has the "market" or combined audience of the networks.

Issue advertising is a viable, First Amendment-protected form of noncommercial speech that could contribute to a more varied marketplace of ideas. Further, issue advertising is an expression recognized by the Supreme Court and others as a meaningful use of the advertising forum and as a means of public access to media to discuss public issues. Business and groups with motivations and resources to purchase issue advertising also may be the best-informed on certain issues.

Further, in today's media climates, it appears issue advertising on the networks could open up more vigorous debates on issues important to the democratic, social, moral and economic climates of the nation--issues that may be as significant to public decision-making as the "issue" of which soap will best take out collar stains. At the very least, it seems that the expression of ideas relating to controversial issues should be permitted access to time slots similarly afforded advertising pertaining to economic, commercial ideas. Obviously, broadcast media and the networks are not common carriers, but the fact that they have welcomed business' products and service commercials and discriminated against controversial issue content appears unfair, despite DNC's 1973 ruling regarding the established forum doctrine.[8]

Given the significant role public opinion plays today in the successful operation of business, nonprofit groups, government and other entities, the networks' policies of censoring *all* advertising that addresses controversial issues is overly restrictive and, again, is a type of restraint of "idea trade" in the marketplace of ideas.

In another way, the networks' practices may be deemed a restraint of idea *or* economic trade in the sense that a network-communicated idea/information impacting an issue or an organization --significantly hurting or helping the group's economic viability --can not easily be countered by that group or an opposing group. CBS' *60 Minutes*' or ABC's *20/20*'s so-called "hatchet jobs" on organizations may be true or they may be badly balanced in their presentation. Few victims of such journalism have an opportunity or forum for countering the arguments or defending themselves on the network.

Further, considering issue advertising's First Amendment protections as essentially equivalent to media's, issue advertising represents a viable idea competitor to the network media. Issue advertising theoretically is not subject to the regulatory restrictions of product and service commercials (though media should require substantiation of claims and information in material broadcast). Further, issue advertising could perhaps be viewed as a means for supplementing or balancing media's news and views. Seeing issue advertising in this light then, the networks' own ideas and opinions could come into competition with would-be issue advertisers, whom the nets can simply choose to censor as a matter of policy. But in the economic and idea marketplaces, it seems censorship on the basis of disagreement or competition runs against the nature of the First Amendment--whether the censorship comes from a government or a network. As Justice Black noted in AP v. U.S. (1945, pp. 8-10), the exercise of private interests combining to restrain others from "publishing" or combining to restrain news and views "trade" is not sanctioned by the First Amendment.

Historically, CBS v. DNC's (1973) clarification of broadcasters' right to refuse controversial issue advertising gave the broadcast networks the only reason they actually need for their firm policies against the ads. Yet, as noted, the 1973 decision was partially based on the existence of a Fairness Doctrine, an antitrust regulation for the marketplace of ideas, if you will, guaranteeing the coverage and balancing of controversial public issues. Now, absent the Doctrine, it appears the decision is less substantial as a basis for refusing these ads. Further, the 1973 Court saw no indications that the networks would collectively ban such ads. Additionally, seeing value in issue advertisements as contributing to the public discourse and debate on public issues, the Court recommended that government and broadcasters work out a means to allow access for such ads. Yet, today, the networks collectively ban this category of advertising. Granted, other technological developments and changes in the broadcast regulatory trends may affect other elements in the case--were it redecided today--but the antitrust concerns in the case appear to be still valid.

Thus, absent any antitrust provision particularly for the marketplace of ideas, and because of the role issue advertising may play even in the economic marketplace, it appears that the regulatory climate is ripe for some changes. In light of this, several important questions should be raised regarding the conflicts between issue advertisers and the networks--questions that may contribute to elevating the conflict to the level of a public policy concern. These questions and fairly brief "answers" proposed by the writer (based on the points and findings discussed in this paper) are listed below. However, more detailed answers and a more detailed look at these questions in the public policy arena is needed.

1. Are the three major broadcast networks policies of banning idea-related issue ads now overly restrictive to the extent that "private publishers" may be allowed access to discuss economic ideas via commercials, but not issue and/or other noncommercial ideas? Could such a practice be viewed as an antitrust concern--particularly absent a Fairness Doctrine as DNC (1973) alluded to?

Answer: Yes, to both questions.

2. Have the economic marketplace and the idea marketplace merged such that businesses need to convey idea messages as important to their survival as their commercials? Does media censorship of all controversial idea content constitute a restraint on the sponsor's economic trade?

Answer: Yes, in many instances, it can.

3. With increasing numbers of issue-related cause groups wanting access to media, could a case be made that the networks' refusals of access effectively shut down certain non-profit groups needing a media voice to raise funds and promote issues?

Answer: The refusals can significantly and negatively impact such groups. Or, such network policies can "force" those with the concerns of H. Ross Perot to run for President of the United States in order to trigger Section 312 of the Communication Act to gain access to the broadcast networks to state positions on controversial issues.

4. Since the *print media* have effectively provided for idea access through advertisements, acceptances of free-lance contributions, and letters-to-the-editor, and since a large percentage of *local broadcast media and certain cable networks* allow issue advertisements, are the broadcast networks' unyielding refusals of issue advertising access an antitrust concern?

Answer: Yes, the broadcast networks constitute a unique market for advertising, unlike most other markets.

5. Did the Fairness Doctrine provide enough opportunity for issue advertising access?

Answer: No, more comprehensive provisions need to be developed to allow for advertising access, particularly to network and other powerful television media.

The changes suggested in this paper could come in a variety of ways and from a variety of sources which are briefly discussed below.

Government (via Congress or a combination of representatives from the Justice Department, the FCC and the FTC) should examine the potential application of antitrust laws to the marketplace of ideas, and particularly to issue advertising access.

A daring and adventurous lawyer could present a test case to ask for the courts' examinations of antitrust applications to the marketplace of ideas.

The broadcast network media corporations might reconsider their issue advertising policies to allow for some acceptance of these ads. Certainly, policy precautions should be taken to provide for responsible use of any opportunities afforded issue advertisers.

At any rate, an adaptation and application of antitrust thinking to the marketplace of ideas appears to be a worthwhile undertaking, and it appears that an outcome of more issue-oriented commercials on national television would be more constructive than destructive to both the idea and economic marketplaces.

FOOTNOTES

1. See discussion of "The Concept of the Marketplace of Ideas" on pp. 18-19 herein.

2. The Fox "network" is excluded from consideration as a major television network in that it is not strictly classified as a network by the FCC (according to the financial syndication rules revisions in both 1991 and 1993).

3. In New York Times v. Sullivan (1964), the Supreme Court explicitly afforded noncommercial issue advertising full First Amendment protections.

4. Further, the number of serious and balanced discussions of issues on the broadcast television networks appears inordinately low compared to network offerings of entertainment programing.

5. See discussion on the demise of the NAB Code on pp. 13-15.

6. See later discussion on "Models for Broadcast Regulation: The Marketplace vs. the Trustee Approach," pp. 20-22.

7. Specifically, Section 312 of the Federal Communication Act provides for affirmative access to broadcast media for qualified political candidates for Federal office during campaigns periods. Section 315 of the Communications Act provides, not an affirmative right of access, but an "equal" right of access on a broadcast station for any qualified political candidate if that candidate's opponent is allowed access to that broadcast station.

8. For an indepth treatment of issue advertising access to the commercial broadcast networks, the reader is directed to the doctoral dissertation of this writer, L. S. Henson: Practices and policies of U.S. commercial broadcast television networks regarding paid controversial issue advertisements (1992).

BIBLIOGRAPHY

Associated Press v. National Labor Relations Board, 301 U.S. 130 (1937).

Associated Press v. United States, 326 U.S. 1 (1945).

Banzhaff v. FCC, 405 F. 2d 1082 (D.C. Cir. 1968), certiorari denied, 396 U.S. 842 (1969).

Barron, J. A. (1967). Access to the press--a new First Amendment right. Harvard Law Review, 80, pp. 1641-1678.

Barron, J. A. (1973). Freedom of the press for whom? The right of access to mass media. Bloomington, IND: Indiana University Press.

Besen, S. M., Krattenmaker, T. B., Metzger, A. R., Jr. & Woodbury, J. R. (1984). Misregulating television: Network dominance and the FCC. Chicago: The University of Chicago Press.

Brenner, D. L. & Rivers, W. L. (1982). Free but regulated: Conflicting traditions in media law. Ames: The Iowa State University Press.

Broadcasting & Cable ratings week, according to Nielsen, April 25-May 1 (1994, May 9). Broadcasting & Cable, p. 27.

Brown, R. (1988, Spring-Summer). Ad hoc access: The regulation of editorial advertising on television and radio. Yale Law & Policy Review, 6, pp. 449-479.

Busterna, J.C. (1989, March). Daily newspaper chains and the antitrust laws. Journalism Monographs, 110, p.11.

Carter, T. B., Franklin, M. A., & Wright, J. B. (1985). The First Amendment and the Fourth Estate. Mineola, NY: The Foundation Press.

Cherchiglia, D. K. (1984). Changing channels in broadcast regulation: Leaving television advertising to containment by market forces. Case Western Reserve Law Review, 34, pp. 465-497.

Columbia Broadcasting System v. Democratic National Committee, 412 U.S. 94 (1973).

Court keeps big three out of syndication until 1995. (1994, July 18). Broadcasting & Cable, p. 15.

Foisie, Geoffrey (1994, May 16). ABC, CBS tie for TV network 1993 revenue honors. Broadcasting & Cable, p. 6.

Friends of the Earth v. FCC (U.S. Court of Appeals, District of Columbia Circuit), 449 F.2d, 1164 (1971).

Granger, R. (1991, May 6). Cable viewers want big 3, study finds. Electronic Media, p. 8.

Head, S. W. & Sterling, C. H. (1987). Broadcasting in America: A survey of electronic media. Boston: Houghton Mifflin.

Henson, L. S. (1992). Practices and policies of U.S. commercial broadcast television networks regarding paid controversial issue advertisements. Doctoral dissertation. University of Kentucky, Lexington.

Home Placement Service, Inc. v. Providence Journal Co., 682 F.2d 274 (1st Cir. 1982), reversed in part at 739 F.2d 671 (1st Cir. 1984).

Jessell, H. A. (1993, April 5). Networks victorious in fin-syn fight. Broadcasting & Cable, p. 7.

Jessell, H. A. (1993, June 14). Networks will change, but survive. Broadcasting & Cable, p. 20.

Kahn, F. J., (Ed.). (1984). Documents of American Broadcasting, 4th ed. Englewood Cliffs: Prentice-Hall, 1984.

Lorain Journal Company v. U.S., 342 U.S. 143 (1951).

Meier, K. J. (1985). Regulation: Politics, bureaucracy, and economics. New York: St. Martin's Press.

Meeske, M. D. (1973, Fall). Editorial advertising and the First Amendment. Journal of Broadcasting, 17 (4), 418-426.

National Broadcasting Co. v. United States, 319 U.S. 190 (1943).

Nelson, H. L., Teeter, D. L., & Le Duc D. R. (1989). Law of mass communications. New York: Foundation Press, Inc.

New York Times v. Sullivan, 376 U.S. 254 (1964).

Overbeck, W. & Pullen, R. D. (1992). Major principles of media law. Fort Worth: Harcourt Brace Jovanovich College Publishers.

Pember, D. R. (1987). Mass media law (4th ed.). Dubuque, IA: Wm. C. Brown Publishers.

Sack, R. D. (1984, September). Commercial speech. Federal Communications Law Journal, 36(2), pp. 217-224.

Sukow, R. (1993, February 15). Congress likely to reinstate fairness doctrine. Broadcasting, p. 32.

Zaragoza, R. R., Bodorff, R. J. & Emord, J. W. (1988). The public interest concept transformed: The trusteeship model gives way to a marketplace approach. In J.T. Powell and W. Gair (Eds.), Public Interest and the Business of Broadcasting, (pp. 27-50). New York: Quorum Books.

U.S. DEPARTMENT OF EDUCATION

OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT (OERI)

EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

Please return to:
ERIC/RCS
150 Smith Research Center
Bloomington, IN 47408-2698

REPRODUCTION RELEASE (Specific Document)

I. DOCUMENT IDENTIFICATION

Title: Antitrust And the Marketplace of Ideas: The Continuing Problem of Issue Advertising Access to Broadcast Television Networks

Author(s): LINDA S. Henson

Corporate Source (if appropriate): ____

Publication Date: August 1994

II. REPRODUCTION RELEASE

In order to disseminate as widely as possible timely and significant materials of interest to the educational community, documents announced in the monthly abstract journal of the ERIC system, Resources in Education (RIE), are usually made available to users in microfiche and paper copy (or microfiche only) and sold through the ERIC Document Reproduction Service (EDRS). Credit is given to the source of each document, and, if reproduction release is granted, one of the following notices is affixed to the document.

If permission is granted to reproduce the identified document, please CHECK ONE of the options and sign the release below.

CHECK HERE ➧ ☑ Microfiche (4" x 6" film) and paper copy (8½" x 11") reproduction

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY
[PERSONAL NAME OR ORGANIZATION, AS APPROPRIATE]
Linda S. Henson
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

OR

☐ Microfiche (4" x 6" film) reproduction only

"PERMISSION TO REPRODUCE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY
[PERSONAL NAME OR ORGANIZATION, AS APPROPRIATE]
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

Documents will be processed as indicated provided reproduction quality permits. If permission to reproduce is granted, but neither box is checked, documents will be processed in both microfiche and paper copy.

"I hereby grant to the Educational Resources Information Center (ERIC) nonexclusive permission to reproduce this document as indicated above. Reproduction from the ERIC microfiche by persons other than ERIC employees and its system contractors requires permission from the copyright holder. Exception is made for non-profit reproduction of microfiche by libraries and other service agencies to satisfy information needs of educators in response to discrete inquiries."

SIGN HERE ➧

Signature: Linda S. Henson
Printed Name: LINDA S. HENSON
Organization: Eastern Ky. University, Richmond Ky
Position: Asst. Professor
Where to send complimentary microfiche--> Address: P.O. Box 23906
Lexington Ky
Zip Code: 40523-3906
Tel. No.: (606) 885-7690
Date: 10-6-94

III. DOCUMENT AVAILABILITY INFORMATION (Non-ERIC Source)

If permission to reproduce is not granted to ERIC, or, if you wish ERIC to cite the availability of the document from another source, please provide the following information regarding the availability of the document. (ERIC will not announce a document unless it is publicly available, and a dependable source can be specified. Contributors should also be aware that ERIC selection criteria are significantly more stringent for documents which cannot be made available through EDRS.)

Publisher/Distributor: ____
Address: ____
Price Per Copy: ____
Quantity Price: ____

IV. REFERRAL TO COPYRIGHT/REPRODUCTION RIGHTS HOLDER

If the right to grant reproduction release is held by someone other than the addressee, please provide the appropriate name and address:

____

EFF-53 (Rev 4 86)

GUIDELINES FOR COMPLETING THE REQUEST FOR REPRODUCTION RELEASE FORM

Under the present copyright law a reproduction release must be obtained for each document before it can be processed for the ERIC system. There are three options:

(Level I) Microfiche (4" x 6" film) and paper copy (8-1/2" x 11") reproduction

This option, which allows ERIC to make the document available on microfiche or in paper copy is most frequently chosen by authors. (77% of ERIC documents are entered as Level I.) This arrangement does not preclude later publication of the document or sale of a printed version by author or institution. However, if you have a limited supply of printed copies or if the document should go out of print, a copy of your document from which other copies can be made will always be available in ERIC.

(Level II) Microfiche (4" x 6" film) reproduction only

This option allows ERIC to make the document available throughout the system on microfiche only. It is most useful if you have a large supply of printed copies but would like to refer requestors to ERIC once your supply is exhausted. This arrangement does not preclude later publication of the document, or sale of the printed document by the author or institution. The ERIC copy of the paper serves an archival function. (13% of ERIC documents are entered in this way.)

(Level III) Document may not be reproduced by ERIC. (Complete Section III of the form.) The document will be cited with bibliographic information, an abstract, and availability information.

NOTE: It is recommended that materials be submitted at Level I or Level II to insure their future availability.

Determinants of Consumer Ethical Evaluations of Buyer Behavior: An Attribution Approach

Karan J. Kailimai
Department of Advertising
MICHIGAN STATE UNIVERSITY
East Lansing, MI 48824-1212

Submitted to the AEJMC Advertising Division
Professional Freedom and Responsibility Paper Competition

Determinants of Consumer Ethical Evaluations of Buyer Behavior: An Attribution Approach

ABSTRACT

This paper formulates theory-based propositions for investigating the relationships between consumer perceptions of both marketer ethics and other consumers' ethics and their own ethical decision-making behavior. The framework is based on attribution theory, which describes the process individuals use to interpret the cause of events or social phenomena. This study suggests that consumers who differ in their perceptions of marketer ethics also differ with respect to whom they hold responsible for negative buyer actions. The same holds true for their perceptions of society's ethics. Further, it suggests that consumers use either utilitarian or deontological ethics in assigning responsibility for these acts. Finally, it provides broad implications for marketer ethics.

Determinants of Consumer Ethical Evaluations of Buyer Behavior: An Attribution Approach

Attribution theory describes the process individuals use to interpret the cause of events or social phenomena. In general, it proposes that individuals perceive that responsibility for events or acts lies with either an actor (one who is motivated by some internal factors), or the environment (i.e., some external factors which drive an actor to commit an act). Recently, investigators have suggested the use of attribution theory as a framework for understanding individuals' perceptions of ethics-related activity and how those perceptions may influence subsequent behaviors and judgments (Ross and DiTecco, 1975; Payne and Giacalone, 1990). The purpose of this paper is to apply attribution theory to formulate a model of how consumers assign responsiblity for negative buyer activity. Specifically, it proposes that consumers will make attributions based on their ethical perceptions of the marketing and social environment to evaluate negative buyer acts.

Attributions occur as a result of certain cognitive structures already present within the individual, such as perceptions and attitudes. Schiff (1970) states that perceptions are impressions held about some social stimulus or set of stimuli, while attitudes are the set of feelings and beliefs which predispose one to react to these stimuli in a certain way.

There is some controversy regarding the establishment of causal relations between cognitive elements (e.g., perceptions, attitudes and beliefs) and behaviors. The major criticism of attribution theory lies in the notion that, because it deals only with how attributions are derived from observed (or communicated) actions (and not the consequences of those attributions), then those attributions may not directly cause the observer's behavioral response.

Several researchers have acknowledged this criticism and have specified conditions under which a direct relationship may exist. Bem (1972) notes that, "If one has managed to alter an individual's attitude or self-attribution, it is not unreasonable to expect that this will induce consequent changes in other response systems," (p. 45). While Ajzen and Fishbein (1975) concur with this condition, Kelley (1973) takes an even stronger stand by asserting that causal explanations play an important role in providing an impetus to action and in decisions among alternative courses of action (p. 127). Thus, he extends the conditions to include behavioral consequences. Indeed, many others have used the theory to explain the causes of moral and ethical dilemmas in business situations (Korgaonkar, et al., 1985), including the area of consumer ethical decision making (Whalen et al., 1991; Mizerski et al., 1979; Calder and Burnkrandt, 1979; Ross and DiTecco, 1975). The next section provides a review of the literature on ethics and the application of attribution theory to consumer ethical decision-making.

LITERATURE REVIEW

Ethics in the Marketplace

Business ethics researchers have determined that marketers use a combination of two types of ethical theories in determining their organizational practices. These two theories are utilitarian ethics, which is characterized by an effort to achieve "the greatest good for the greatest number;" and deontological ethics, a duty-based, nonconsequentialist theory whose rules focus on the intentions of the doer. This theory asserts, essentially, that it is one's duty to tell the truth and to keep one's promises, regardless of the consequences (Beauchamp and Bowie, 1983). Barnett and Karson (1987) contend that ethical standards are situational in nature. For example, while industries may use a deontologically-based system to develop their codes of ethics, many other marketing decisions involving ethical content are made using a utilitarian framework.

Although little research exists with respect to consumer ethical thinking (Vitell and Muncy, 1992), it is assumed that consumers also make ethical decisions on a situational basis. For instance, Whalen et al. (1991) suggest that consumers use a utilitarian framework in their ethical evaluations of seller activities which affect them. In other words, consumers base their assessment of the moral worth of marketer actions and practices solely on the consequences of those actions and practices.

While decisions like these determine the likelihood of continued interactions with sellers, this is but one aspect of the role which ethics plays in consumer ethical decision making. For, not only are consumers affected by seller ethics, they are also affected by buyer ethics in the marketplace. Consumers perceive seller behaviors with ethical content through their evaluation of various marketing practices which they directly encounter in shopping situations. Yet, various buyer practices may influence those seller practices, as when retailers are forced to increase prices to make up for losses due to shoplifting, or must use surveillance measures to protect their merchandise. Consequently, as both these elements affect the marketplace environment, it is imperative that researchers investigate how consumers perceive both types of ethics. Further, such investigation may provide marketers with a better understanding of how their behaviors impact these perceptions.

Attribution Theory and Consumer Behavior

In recent years, researchers have begun to apply attribution theory to consumer behavior. A recent study by Whalen et al. (1991) explored how consumers evaluate specific unethical marketer behaviors. Assuming that consumers use their own perceptions of what is ethical as a framework for evaluating the behaviors of sellers and other buyers, they examined respondents' evaluations of seller ethics in considering whether to purchase from them.

With increasing reports of unethical activity on the part of both business and consumers, some researchers have begun to investigate how consumers attribute responsibility for certain buyer unethical acts. Vitell and Muncy (1992) found a relationship between consumers' attitudes toward the ethics of business and how tolerant those consumers were of questionable buyer activities (e.g., shoplifting). Specifically, they found that consumers who held negative attitudes toward business ethics were more tolerant of questionable buyer behaviors, while the inverse was true for those with positive attitudes.

Using an attribution framework, one might conclude that consumers who perceive today's businesses as unethical see them as creating an environment where consumers feel justified in engaging in negative behaviors. On the other hand, consumers who believe business is ethical would hold the individual responsible for her/his own actions.

Studies on consumerism by Barksdale and Darden (1972) and Hustad and Pessemier (1973) provide insight into how a consumer might conclude that unethical buyer actions are externally motivated. Both these studies identified a group of consumers who perceived specific marketer practices with ethical content negatively. While Hustad and Pessemier (1973) identified this group as anti-business/advertising consumers, Barksdale and Darden noted that "many consumers register a high level of apprehension about certain business policies and considerable discontent about specific marketing activities. The most obvious example is the lack of confidence in advertising (p. 34)."

When the attribution perspective is applied to this situation, a consumer who held such a perception might also perceive any observed (or communicated) negative consumer actions as a justifiable reaction to unethical marketer practices. Thus, they would attribute responsibility for the buyer's acts to the unethical environment created by the marketer.

Factors Underlying Consumer Perceptions of Marketer Ethics

Attitudes toward various national policies and practices of society's businesses in general have been found to underlie consumers' ethical perceptions of marketers. For example, Hustad and Pessemier (1973) found that consumers focus on social issues such as "Big Business'" level of concern for the environment, or their affirmative action policies in their evaluations. Arlow and Ulrich (1980) note that business people believe that "the subject of social responsibility is basically an ethical question (p. 20)."

Gavin and Maynard (1975) suggest that the growth of concern for socially responsible corporate behavior over the past three decades can be attributed to changes in society. A greater awareness of society's interdependent functions has led to increased public pressure for more ethical conduct in both industry and government. These authors, as well as several others (including Hustad and Pessemier, 1973; Boal and Peery, 1985; and Robin and Reidenbach, 1987), have investigated consumer attitudes toward the social responsibility of business.

In an extension of a previous study by Bauer and Greyser (1968), Hustad and Pessemier (1973) also investigated consumer attitudes toward business advertising to assess how the public viewed advertising as an institution, and its salience as compared with other aspects of American life (p. 29). They found that consumers also focus on broad practices such as an industry's advertising methods to assess business ethics.

It is conceivable that consumers may also rely on particular marketer practices (whose effects they may regularly encounter in the marketplace) to help them form their ethical evaluations of sellers. Whalen et al. (1991) conclude that:

> [It is] reasonable to consider that consumers do add ethical expectations and judgments to other criteria, e.g. price, product characteristics, perceived benefits and symbolic characteristics in their decision-making process. (p. 286)

Empirical support for this notion is provided in the findings of several recent brand perception studies which generally conclude that consumers use their perceptions of marketing cues to help them evaluate various aspects of marketer practices. Zeithaml (1988), for example, found that consumers use their perceptions of brand price to evaluate marketer practices; and Kirmani and Wright (1989) and Kirmani (1990) found that consumers use their perceptions of a brand's advertising and promotion expenditures for this purpose. These authors, as well as Moran (1990), contend that consumers do use their perception of these cues, as well as profits, to evaluate overall marketer practices. Therefore, it is likely that marketer cues (such as brand price, quality, advertising and promotion) may evoke attitudes of an ethical nature.

Both industrywide policies and practices, as well as the particular marketing practices of individual organizations constitute a major portion of the marketing environment. With respect to attribution theory, it is proposed that consumer perceptions of this environment are what underlie consumer assignment of responsibility for negative buyer behavior. Thus, by assessing attitudes toward advertising, social responsibility and brand marketing practices, measurement of these perceptions are possible.

Operationalization of Model Variables

The model presented in this paper (Figure 1) operationalizes the attitudinal variables consistent with Schiff's (1970) and Fishbein and Ajzen's (1975) definition of attitude (Mackenzie and Lutz, 1989). Specifically, attitude toward the ad is operationalized as a predisposition to respond in a favorable or unfavorable manner to particular statements regarding advertising in general, and attitude toward social responsiblity of business is operationalized as a predisposition to respond in a favorable or unfavorable manner to particular statements regarding business.

Given the findings of Kirmani and Wright (1989), Kirmani (1990) and Moran (1990), which specified that consumers do evaluate brands on the basis of these cues, and Whalen et al's. (1991) conclusion that consumers do add ethical expectations to their evaluations of these cues, this paper presents the concept attitude toward brand. Gresham and Shimp (1984) and Mackenzie and Lutz (1987) investigated attitude toward the brand as a result of ad exposure and suggest that it has both a cognitive and an affective component.

As it applies in the present paper, the rationale underlying this concept is that, in addition to cues such as price and quality, today's consumer also considers the amount of advertising and promotion done for brands. They may have their own perception of how profitable they think some brands. Carried further, these perceptions may allow them to develop simplistic notions of how visible a brand is and how much money the brand makes. Such ideas may stem from media reports of the amounts advertisers spend to sponsor major sporting events (e.g., the superbowl), as well as from basic associations consumers may make regarding how much income a brand which has a celebrity spokesperson (e.g., Michael Jordan) would have to have in order to secure this caliber of spokesperson. The accuracy of these perceptions is irrelevant; consumers can use vague terms such as "millions" to describe their impression of how much highly visible and highly profitable brands expend and sell. What is important, however, is that they do make distinctions in terms of these cues across brands on the market.

Given this backdrop, if consumers were offered the same (or even higher) level quality of good at a considerably lower price, it is conceivable that they may make the considerations presented above in evaluating this brand against other, more highly visible/highly profitable brands. Adopting the line of thinking presented in the consumerism studies in the preceding paragraphs, such a consideration can lead to the perception that the higher priced brand (i.e., the highly visible/highly profitable brand) is less ethical because it offers the exact same product at an excessive price. Thus, the consumer's perception is that the higher price charged is aimed to offset exorbitant advertising costs and those of endorsements by highly-paid celebrities. Indeed, this scenario may be the basis for a successful marketing strategy currently being used by private label firms entering U.S. markets. Therefore, this study operationalizes the variable attitude toward brand as a predisposition to respond in a favorable or unfavorable manner to particular statements regarding specific brand practices.

Examining how consumers evaluate buyer actions shows how their perceptions of business ethics influence consumer assignment of responsibility for buyer actions. Vitell and Muncy (1992) analyzed consumer judgments of statements which presented questionable buyer actions to determine how tolerant consumers were of these actions. Using a five-point Likert scale, they instructed respondents to rate how wrong they perceived these actions. These authors note that "statements were developed through a review of the literature and through discussions with people who have worked in this area" (p.588). Although no reliability or validity data were provided, they determined, from a pre-test, that the instrument adequately represented the domain of ethical judgments faced by consumers. It is suggested that by examining consumer ethical evaluations of buyer behaviors in this manner, we can see the ways in which marketer ethics influence these evaluations.

The preceding discussion suggests a series of propositions regarding the use of attribution theory in investigating how consumers attribute responsibility for negative buyer acts.

Proposition 1: Consumers who perceive business and brand ethics unfavorably will be more tolerant of negative buyer acts;

Proposition 2: Consumers who perceive business and brand ethics favorably will be less tolerant of those acts.

Further, given the situational nature of consumer ethical judgments, two other propositions are made:

Proposition 3: Consumers who hold the marketing environment responsible for negative buyer acts will use a utilitarian framework;

Proposition 4: Consumers who hold the actor responsible will use a deontological framework.

Factors Underlying Consumer Perceptions of Others' Ethics

One other aspect of the marketing environment that may impact how consumers attribute responsibility for negative buyer actions is consumers' perception of society's ethics, in general. Kanter and Mirvis (1990) found an upward (and growing) trend in individuals' cynical attitudes and beliefs regarding American society's ethics and morals over the past decade. From an attributional standpoint, the implications of such a finding are that, if consumers perceive that everyone is unethical to some degree, then it is the environment (American society) that motivates individuals to commit unethical acts. Vitell and Muncy (1992) used a similar rationale in explaining the impact of consumers' attitudes toward others (i.e., society in general) on their ethical evaluation of negative buyer behaviors.

Exploration of what impression consumers have of how their counterparts (consumer peers) view negative buyer behavior would aid in understanding how Kanter and Mirvis' (1990) findings, regarding cynical ethical attitudes, manifest themselves in the marketplace. Therefore, we suggest four additional propositions:

Proposition 5: Consumers who perceive society's ethics favorably will be less tolerant of negative buyer acts; and

Proposition 6: Consumers who perceive society's ethics unfavorably will be more tolerant of these acts;

Proposition 7: Consumers who hold the environment created by society responsible for negative buyer acts will use a utilitarian framework; while

Proposition 8: Consumers who hold the actor responsible will use a deontological framework.

Finally, a consistent finding in studies of ethics among marketing peer groups has been that individuals perceive their own ethical standards to be higher than those of their peers (Ferrell and Weaver, 1978; Krugman and Dean, 1981; Chonko et al., 1985; Ferrell and Gresham, 1985). To determine whether this finding holds true among consumer peer groups, we formulate the following:

Proposition 9: Respondents' ratings of negative buyer acts will be less tolerant overall than their peers' ratings.

CONCLUSIONS AND IMPLICATIONS

Exploration of consumers' ethical perceptions of both aspects of the marketplace environment are essential if we are to develop a complete understanding of business ethics. Knowing not only what perceptions consumers have of business policies and practices, but how those elements influence their evaluations of buyer actions will provide today's marketer with valuable insight into how they are performing in the eyes of the consumer. Further, knowledge of specific marketing practices is useful for the firm as a whole, as well as for individual departments. Research of this nature could, for example, aid in the development of more effective media strategies; in the creation of image-positive brand advertisements and promotions; and in improving the corporate image of the marketer as a whole.

At a time when general business practices face increasing scrutiny and declining customer confidence, perhaps marketers may benefit from concentrating less on issues like advertising effectiveness and more on learning how such practices are perceived by consumers. This would seem to provide a much more achievable (and pleasant) solution than alternatives such as regulation.

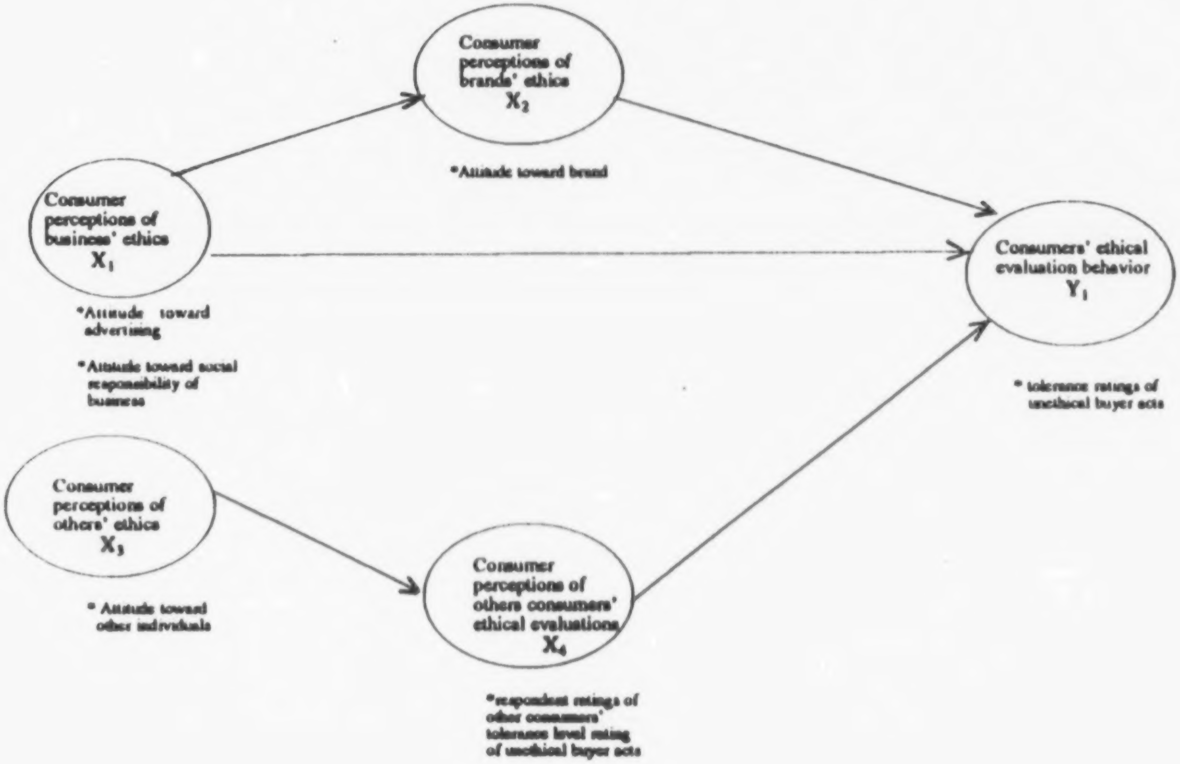

Consumer perceptions of brands' ethics X_2
*Attitude toward brand
Consumer perceptions of business' ethics X_1
*Attitude toward advertising
*Attitude toward social responsibility of business
Consumers' ethical evaluation behavior Y_1
* tolerance ratings of unethical buyer acts
Consumer perceptions of others' ethics X_3
* Attitude toward other individuals
Consumer perceptions of others consumers' ethical evaluations X_4
*respondent ratings of other consumers' tolerance level rating of unethical buyer acts

Figure 1

BEST COPY AVAILABLE

REFERENCES

Ajzen I., and M. Fishbein (1975). "A Bayesian Analysis of Attribution Processes," Psychological Bulletin, 82:261-77.

Arlow, P., and T. Ulrich (1980). "Business Ethics, Social Responsibility and Business Students: An Empirical Comparison of Clark's Study." Akron Business and Economic Review, 16 (Spring):13-17.

Asher, H. (1976). Causal Modeling. Beverly Hills, CA: Sage Publishing.

Barksdale, H., and W. Darden (1972). "Consumer Attitudes Toward Marketing and Consumerism." Journal of Marketing, 36 (Fall):28-35.

Barnett, H., and M. Karson (1987). "Personal Values and Business Decisions: An Exploratory Investigation." Journal of Business Ethics, 6:371-382.

Bauer, R., and S. Greyser (1968). Advertising in America: The Consumer View. Boston, MA: Harvard University.

Beauchamp, T., and N. Bowie (1983). Ethical Theory and Business, 2nd ed. Englewood Cliffs, NJ: Prentice-Hall.

Bem, D. (1972). "Self-Perception Theory," in Advances in Experimental Social Psychology, ed. L. Berkowitz, New York: Academic Press, Inc.

Berkman, H., and C. Gilson (1983). Consumer Behavior: Concepts and Strategies, 2nd. ed. Boston, MA: Kent Publishing.

Bernstein, P. (1985). "Cheating---The New National Pastime?" Business, (Oct-Dec):24-33.

Boal, D., and N. Peery (1985). "The Cognitive Structure of Corporate Social Responsibility." Journal of Management, 11 (3):71-82.

Calder, B., and R. Burnkrant (1977). "Interpersonal Influence on Consumer Behavior: An Attribution Theory Approach." Journal of Consumer Research, 4 (Summer):29-38.

Childers, T. and A. Rao (1992). "The Influence of Familial and Peer-based Reference Groups on Consumer Decisions." Journal of Consumer Research, 19:198-211.

Chonko, L., and S. Hunt (1985). "Ethics and Marketing Management: An Empirical Examination." Journal of Business Research, 13 (Aug):339-359.

Dubinsky, A., and B. Loken (1989). "Analyzing Ethical Decision Making in Marketing." Journal of Business Research, 19: 83-107.

Ferrell, O.C., and L. Gresham (1985). "A Contingency Framework for Understanding Ethical Decision Making in Marketing." Journal of Marketing, 49 (Summer); 87-96.

Fishbein, M., and I. Ajzen (1975). Belief, Attitude, Intention and Behavior: An Introduction to Theory and Research. Reading, MA: Addison-Wesley Publishing Co.

Gavin, J., and W. Maynard (1975). "Perceptions of Corporate Social Responsibility." Personnel Psychology, 28:377-387.

Gresham, L., and T. Shimp (1984). "Attitude Toward the Advertisement and Brand Attitudes: A Classical Conditioning Perspective." Journal of Advertising, 44:10-17.

Gullo, K. (1991). "Fraud Losses Surge at Visa as Counterfeiting Takes its Toll." American Banker, 156:7.

Hunt, S., P. Kiecker, and L. Chonko (1990). "Social Responsibility and Personal Success: A Research Note." Journal of the Academy of Marketing Science, 18 (Summer):239-244.

Hustad, T., and E. Pessemier (1973). "Will the Real Consumer Activist Please Stand Up: An Examination of Consumers' Opinions About Marketing Practices." Journal of Marketing Research, (Summer):319-324.

Kanter, D., and P. Mirvis (1991). "Cynicism: The New American Malaise." Business and Society Review, (Spring):57-61.

Katz, D. (1960). "The Functional Approach to the Study of Attitudes." Public Opinion Quarterly, 24 (136):163-204.

Kelley, H. (1967). "Attribution in Social Psychology." Nebraska Symposium on Motivation, 15:192-238.

Kelley, H. (1973). "The Processes of Causal Attribution." American Psychologist, 28:107-28.

Kirmani, A. (1990). "The Effect of Perceived Advertising Costs on Brand Perceptions." Journal of Consumer Research.

17 (September):160-171.

Kirmani, A., and P. Wright (1989). "Money Talks: Perceived Advertising Expense and Expected Product Quality." Journal of Consumer Research. 16 (December):344-353.

Korgaonkar, P., D. Lund, and B. Price (1985). "A Structural Equations Approach Toward Examination of Store Attitude and Store Patronage Behavior." Journal of Retailing, 61 (Summer):39-60.

Lane, M. and D. Schaupp (1989). "Ethics in Education: A Comparative Study." Journal of Business Ethics, 8 (December):943-949.

Mackenzie, S., and R. Lutz (1989). "An Empirical Examination of the Structural Antecedents of Attitude Toward the Ad in an Advertising Pretesting Context." Journal of Marketing, 53 (Spring):48-65.

Memmelaar, E. (1990). "Mastercard Saw Fraud Drop in '89, But Criminal Schemes Pose Big Threat in the Far East." American Banker, 155 (July 17):14.

Mizerski, R., L. Golden, and J. Kernan (1979). "The Attribution Process in Consumer Decision Making." Journal of Consumer Research, 6 (Fall):123-140.

Moran, W. (1990). "Brand Presence and the Perceptual Frame." Journal of Advertising Research, Oct-Nov:9-16.

Muncy, J., and S. Vitell (1992). "Consumer Ethics: An Investigation of the Ethical Beliefs of the Final Consumer." Journal of Business Research, 24:297-311.

Payne, S. and R. Giacalone (1990). "Social Psychological Approaches to the Perception of Ethical Dilemmas." Human Relations, 43 (7):649-665.

Robin, D., and R. E. Reidenbach (1987). "Social Responsibility, Ethics, and Marketing Strategy: Closing the Gap Between Concept and Application." Journal of Marketing, 51 (Winter):44-58.

Rogers, H., C. Kochunny, and A. Ogbuehi. (1993). "Ethical Inclinations of Tomorrow's Marketers." Journal of Marketing Education, 15 (Spring):11-19.

Ross, M., and D. DiTecco (1975). "An Attributional Analysis of Moral Judgments." Journal of Social Issues, 31 (3):91-109.

Shiff, M. (1970). Some Theoretical Aspects of Attitudes and Perceptions. Toronto: University of Toronto.

Sipes, L., Jr. (1989). "And the Answer Is. . ." Security Management, (May):68-71.

Taylor, P. (1975). Principles of Ethics: An Introduction, Encino, CA: Dickenson Publishing Co.

Tsalikis, J. and O. Nwachukwu (1988). "Cross-cultural Business Ethics: Ethical Beliefs Difference Between Blacks and Whites." Journal of Business Ethics, 7 (Oct):745-754.

Vitell, S., and J. Muncy (1992). "Consumer Ethics: An Empirical Investigation of Factors Influencing Ethical Judgments of the Final Consumer." Journal of Business Ethics, 11:585-597.

Whalen, J., R. Pitts, and J. Wong (1991). "Exploring the Structure of Ethical Attributions as a Component of the Consumer Decision Model: The Vicarious Versus Personal Perspective." Journal of Business Ethics, 10:285-293.

Wood, V., L. Chonko, and S. Hunt. (1986). Social Responsibility and Personal Success: Are They Incompatible?" Journal of Business Research, 14:193-212.

Zeithaml, V. (1988). "Consumer Perceptions of Price, Quality, and Value: A Means End Model and Synthesis of Evidence." Journal of Marketing, 52 (July):2-22.

U.S. DEPARTMENT OF EDUCATION
OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT (OERI)
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

Please return to:
ERIC/RCS
150 Smith Research Center
Bloomington, IN 47408-2698

REPRODUCTION RELEASE (Specific Document)

I. DOCUMENT IDENTIFICATION

Title: Determinants of Consumer Ethical Evaluations of Buyer Behavior: An Attribution Approach

Author(s): KARAN J. KAILIMAI

Corporate Source (if appropriate):

Publication Date: Aug 13, 1994

II. REPRODUCTION RELEASE

In order to disseminate as widely as possible timely and significant materials of interest to the educational community, documents announced in the monthly abstract journal of the ERIC system, Resources in Education (RIE), are usually made available to users in microfiche and paper copy (or microfiche only) and sold through the ERIC Document Reproduction Service (EDRS). Credit is given to the source of each document, and, if reproduction release is granted, one of the following notices is affixed to the document.

If permission is granted to reproduce the identified document, please CHECK ONE of the options and sign the release below.

CHECK HERE ➡ ☑ Microfiche (4" x 6" film) and paper copy (8½" x 11") reproduction

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY
[PERSONAL NAME OR ORGANIZATION,
AS APPROPRIATE]
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

OR

☐ Microfiche (4" x 6" film) reproduction only

"PERMISSION TO REPRODUCE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY
[PERSONAL NAME OR ORGANIZATION,
AS APPROPRIATE]
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

Documents will be processed as indicated provided reproduction quality permits. If permission to reproduce is granted, but neither box is checked, documents will be processed in both microfiche and paper copy.

"I hereby grant to the Educational Resources Information Center (ERIC) nonexclusive permission to reproduce this document as indicated above. Reproduction from the ERIC microfiche by persons other than ERIC employees and its system contractors requires permission from the copyright holder. Exception is made for non-profit reproduction of microfiche by libraries and other service agencies to satisfy information needs of educators in response to discrete inquiries."

SIGN HERE ➡

Signature: Karan J. Kail
Printed Name: KARAN J. KAILIMAI
Organization: Michigan State University
Position: Graduate Student (Ph. D.)

Where to send complimentary microfiche-->
Address: P. O. Box 24-8869
Coral Gables, FL
Zip Code: 33124
Tel. No.: (305) 284-2014
Date: November 22, 1994

III. DOCUMENT AVAILABILITY INFORMATION (Non-ERIC Source)

If permission to reproduce is not granted to ERIC, or, if you wish ERIC to cite the availability of the document from another source, please provide the following information regarding the availability of the document. (ERIC will not announce a document unless it is publicly available, and a dependable source can be specified. Contributors should also be aware that ERIC selection criteria are significantly more stringent for documents which cannot be made available through EDRS.)

Publisher/Distributor:
Address:
Price Per Copy:
Quantity Price:

IV. REFERRAL TO COPYRIGHT/REPRODUCTION RIGHTS HOLDER

If the right to grant reproduction release is held by someone other than the addressee, please provide the appropriate name and address:

EFF-53 (Rev 4/86)

BEST COPY AVAILABLE

GUIDELINES FOR COMPLETING THE REQUEST FOR REPRODUCTION RELEASE FORM

Under the present copyright law a reproduction release must be obtained for each document before it can be processed for the ERIC system. There are three options:

(Level I) Microfiche (4" x 6" film) and paper copy (8-1/2" x 11") reproduction

This option, which allows ERIC to make the document available on microfiche or in paper copy is most frequently chosen by authors. (77% of ERIC documents are entered as Level I.) This arrangement does not preclude later publication of the document or sale of a printed version by author or institution. However, if you have a limited supply of printed copies or if the document should go out of print, a copy of your document from which other copies can be made will always be available in ERIC.

(Level II) Microfiche (4" x 6" film) reproduction only

This option allows ERIC to make the document available throughout the system on microfiche only. It is most useful if you have a large supply of printed copies but would like to refer requestors to ERIC once your supply is exhausted. This arrangement does not preclude later publication of the document, or sale of the printed document by the author or institution. The ERIC copy of the paper serves an archival function. (13% of ERIC documents are entered in this way.)

(Level III) Document may not be reproduced by ERIC. (Complete Section III of the form.) The document will be cited with bibliographic information, an abstract, and availability information.

NOTE: It is recommended that materials be submitted at Level I or Level II to insure their future availability.

The Effects of Type of Labeling and of Sponsor on Credibility of Video News Releases

By

C. A. Tuggle
(904) 392-9092
Ph.D. Student

and

M. A. Ferguson
(904) 392-6660
Assistant Dean for Research

College of Journalism & Communications
University of Florida
Gainesville, Florida 32611

Top 3 paper presented to Public Relations Division, Association for Education in Journalism & Mass Communications, August 1994.

Abstract

The Effects of Type of Labeling and of Sponsor on Credibility of Video News Releases

by

C. A. Tuggle, Ph. D. Student, (904) 392-9092
and
M. A. Ferguson, Assistant Dean for Research, (904) 392-6660
College of Journalism & Communications, University of Florida
Gainesville, Florida 32611

Although organizations regularly use video news releases, critics charge that VNRs blur the line between news and promotion. The editors of TV Guide argue that when a station uses a VNR, it should show a graphic identifying the sponsor for the story's duration.

This study compares a continuous graphic against one with a verbal-only identifier tag, and one with a brief visual identifier-plus-a-verbal identifier at the end for three different VNR sources: a university, an advocacy group or a business or corporation.

Results indicate no differences for the VNR source nor any advantage for using the continuous visual identifier over any other method for ability to identify the VNR sponsor, the credibility of the news story, or the amount of information retained and recalled.

There are, however, differences for type of labeling when one considers whether the viewer is reliant on TV for news. A brief visual plus a verbal identifier led those who are not reliant on TV for news to believe that stations should not use VNR materials produced by either a university, an advocacy group or a business or corporation, while the other labeling methods had no such effects.

The authors conclude that the only labeling method likely to have any effect is the brief visual plus a verbal identification at the story end, but then only with those subjects who do not normally rely on TV for news.

The Effects of Type of Labeling and of Sponsor on Credibility of Video News Releases

Efforts to get televised messages to the public without paying advertising costs are nearly as old as TV itself. In the early days of television, independent producers focused their efforts on public service announcements, featurettes, and the news film, the precursor to the modern-day video news release. While PSAs became popular with clients because they were relatively inexpensive to produce and contained the client's name on screen during the end title,[1] the featurette did not survive because few stations used unsolicited material of three-to-five minute's duration. In the early 1950s, network television producers used film from hand-delivered canisters to enhance newscasts that otherwise would have been devoid of pictures from outside their own studio.[2] News film did not, however, enjoy widespread success for a number of reasons: existing technology made it necessary for producers to send scripts back and forth to clients through the mail, film processing and editing were time-consuming, and notification and delivery to news rooms often took weeks. This invariably killed any news value for the news film.[3]

By the late seventies, news film gave way to video news releases for which new technologies added immediacy, making the video release worthy of the adjective "news." Using video instead of film shortened the time-to-finished-product by at least a week. FAX machines, computers, and satellite technology shortened delivery time still further. Today, with the client on scene to give approvals, a producer can script, shoot, edit, and distribute a VNR all in the same day.[4] Companies and institutions that produce their own VNRs need even less time to turn the product around.

---

[1] Goldsmith, M. (1993). "Producer rewinds to start of video revolution." O'Dwyer's Pr Services Report. April. 24-26.

[2] The video news release handbook. (1991). New York: Medialink.

[3] Goldsmith. (1993).

[4] Goldsmith. (1993).

VNRs Are "Big" Business

As a result, VNRs have become big business, and businesses, both large and small, embrace their use in public communications campaigns. By 1992, each of the top-ten U.S. video firms reported incomes of more than $1 million[5] and by many accounts those expenditures paid off for clients. The most watched VNRs in 1993 produced by major organizations hiring VNR production or doing their own in-house production included those for: Pepsi Cola, Princeton University Plasma Physics Lab, Time-Warner, Columbia Pictures, McDonalds, MGM Grand, Disneyland/Walt Disney World, and the National Institute of Diabetes & Digestive Kidney Diseases.[6] The most watched 1993 VNR, with an estimated 116 million viewers, was about the Diet Pepsi syringe hoax.[7] VNRs are not just a U.S. phenomenon. In 1989, more than 76 million U.S. viewers saw some portion of the president of Colombia's address about drug trafficking , plus the supporting video scenes.[8]

Many companies hire video production firms to shoot and distribute VNRs for them. One firm spent three weeks in Barcelona, Spain, taping footage for corporate clients and sponsors of the 1992 Olympics.[9] Politicians, lobbyists,[10] insurance companies,[11] print news organizations,[12] and universities[13] have also realized the benefits of telling their stories visually and seeking placement on television news programs.

---

[5] "Video firms report income." (1993). O'Dwyer's PR Services Report. April. 1.

[6] "Viewers guzzle Pepsi VNRs, says Medialink." (1994). O'Dwyer's PR Services Report, April, 29.

[7] "Viewers guzzle . . . ".

[8] "Medialink announces 1989 top 10 U.S. video news releases." (1990). IABC Communication World. March. 28.

[9] "KEF sweeps Olympics." (1992). Screen. September 7. 35.

[10] McCauley, K. (1992). "VNRs add punch to lobbying campaigns." O'Dwyer's PR Services Report. April. 1.

[11] Mahr, T. (1990). "Insurers learn to use the VNR to get coverage." National Underwriter, Property & Casualty-Risk & Benefits Management Edition. September 17. 9,10.

[12] "Print news organizations like Time magazine increasingly turning to video news releases for distribution of their stories." (1992). US Newswire. February 7.

[13] Tuggle, C. (1993). "Film at eleven." Currents. May. 32-39.

News Use

Video news releases are flooding television stations. In 1992, producers made more than 4,000 VNRs,[14] and some stations received more than ten VNRs per week either by mail or satellite.[15] Stations across the U.S. use VNRs, although some writers contend that news directors would rather admit to insider trading than to extensive use of video news releases.[16] Some news directors disavow any use of VNRs in their news programs even when it is clearly evident that the station's reporters, segment producers, or assignment editors include VNR material in the newscasts.[17]

On the other hand, news director's attitudes toward VNRs may be changing. For example, a December 1992 Neilsen survey showed that news managers may be more willing to admit to VNR usage than they were in earlier times. In that survey, 100% of the 92 news directors polled said they had used VNRs in their newscasts.[18]

Many believe the demand for and use of independently produced video releases can only increase because of television's ever-growing hunger for information. CNN and other cable networks devote themselves exclusively to news and information and, among the three major commercial networks, at least eight hours of network news programs are available to viewers in almost every U.S. city every business day. In addition, many stations air three or more hours of local news programming per day, and stations need to fill that time.[19]

News programming expansion has not lead to an accompanying news staff expansion. More and longer newscasts, plus growing concerns with the bottom line, mean stations will continue doing more with less and may become even more open to using free video.[20] This scenario amplifies the influence of VNRs because an overwhelming majority of Americans gets most of its news from television, and a majority cites television as its only source of news.[21]

---

[14] "Computer and satellite technology speed flow of TV news." (1993). US Newswire. February 2.
[15] "Survey tracks VNR use." (1991). O'Dwyer's PR Services Report. April 2.
[16] "The VNR top ten." (1991). Columbia Journalism Review. March/April. 14.
[17] Davids, M. (1988). "Now you see them. . ." Public Relations Journal. May. 14-18, 20,47.
[18] Drummond, J. (1993). "Ethics vs. the economy." Quill. May. 35-38.
[19] Restivo, P. (1990). "Suffering from video technophobia?" IABC Communication World. March. 27-30.

VNRs are catching on in other parts of the world as well. The industry is eyeing the stations serving 320 million European viewers[22] and VNRs are reportedly becoming commonplace in Japan.[23]

Monitoring and Overreporting

The industry may be becoming a victim of its own success. The availability of more and more VNRs is making each individual offering harder to place.[24] The competition has never been greater among VNR producers and distributors;[25] as the VNR industry has grown, so have attendant problems and criticisms. VNR distributors have found that the most difficult part of the process is providing clients with proof that a VNR report aired, how frequently it aired, and in what form.[26] Producers and distributors have used phone calls, clipping and monitoring services, and database searches to prove airings, or "hits".[27] Electronic monitoring may help provide more accurate monitoring. In 1991 Neilsen introduced its monitoring service--Sigma--for which an invisible code is stamped onto the client's video. While the Sigma signals, which are tracked at more than 1,000 TV stations in 212 markets, are susceptible to erasure, a new system--LumaTrak--by Radio TV Reports, claims to be 99% effective.[28]

---

[20] "Making news." (1991). Consumer Reports. October. 694,695.

[21] "Poll: Most got war news on TV." (1991). Gainesville (Fl.) Sun. May 2. A8.

[22] "European TV offers big potential, challenges for video executives." (1993). O'Dwyer's PR Services Report. April. 1.

[23] Pintak, L. (1991). "VNRs go abroad (sometimes)." IABC Communication World. January. 14-16.

[24] "VNR firms must counsel clients from production through results." (1993). O'Dwyer's PR Services Report. April. 62.

[25] "DWJ holds seminars to teach PR people about VNRs." (1993). O'Dwyer's PR Services Report. April. 67.

[26] Davis, S. (1989). "Prefab news." Technology Review. October. 6,7.

[27] Honnert, G. (1989). "Video news releases." Currents. March. 30-37.

[28] "More firms use electronic VNR tracking systems." (1994). O'Dwyer's PR Services Report. April, 1,12.

Inadequate monitoring has lead to abuses within the industry. "It is not uncommon for usage figures to be padded, either because of outright dishonesty or because the news personnel surveyed gave vague answers," according to a former news reporter-turned-public relations practitioner[29] One video distributor said if 30 companies each claim to distribute 30 VNRs per year, 27 of them are lying.[30]

The Ethics of VNR Use

While critics of the VNR industry agree that accurate monitoring and overreporting are problems, many contend the use of sponsored video is wrong because it blurs the line between journalism and advertising.[31] Critics, who often refer to VNRS as "prefab" news[32] and "advertising parading as news"[33] question the objectivity of TV stations that use VNRs[34] VNRs, which were once assailed because they too closely resembled advertisements, now are under attack because they too closely resemble news.[35]

The Food and Drug Administration has turned its attention to VNRs because of their widespread use in reaching television viewers. Concern centers on companies promoting drugs that the FDA has not approved or which the FDA has approved for a use different from that shown in a VNR.[36]

Concerns within the VNR industry over the FDA action pale compared to the concern over the charge the VNRs are "fake news." The author of a February 1992 article in TV Guide, David Lieberman, charged that "to viewers who think of news as the work of independent journalists who broadcast their own reporting and camera work"[37] VNRs are "fake news." Lieberman points to several examples of video supplied to stations as proof that television viewers are being duped. In one instance, a cereal manufacturer provided video relating to the 50th anniversary of a popular cereal. In another, the sponsor of a man's quest to become the first person to row across the Pacific Ocean provided footage that included shots of the sponsor's logo on the boat.[38]

---

[29] Honnert. (1989).
[30] Davids. (1988).
[31] Davis. (1989).
[32] Davis. (1989).
[33] Gallina, E. (1991). "VNRs under attack." IABC Communication World. October. 13,14.
[34] Gentz, K. (1992). "The VNR controversy. "ITN. April 1.
[35] Shell, A. (1992). "VNRs: In the news." Public Relations Journal. December. 20-23.
[36] Shell, A. (1991). "FDA to scrutinize pharmaceutical VNRs." Public Relations Journal. October. 6,7.
[37] Lieberman, D. (1992). "Fake news." TV Guide. February 22. 10,11,13,14,16,26.

Because VNRs allow businesses to get certain aspects of their message across[39] in ways that generally shed a favorable light on the company, one writer wonders how it would be possible to avoid promoting the sponsor when reporting "good" news, which is usually the subject of VNRs.[40]

Answering the Critics

VNR champions contend they are merely "picture" press releases, just like the printed releases, which public relations practitioners have routinely distributed to the media for years.[41] One writer points out that it is commonplace it is to see a television reporter head for an assignment clutching newspaper clippings or a press release.[42] While industry producers admit that VNRs usually represent a particular point of view,[43] as does the printed press release, they argue that the station has the option of using, not using, or editing the material as does the receiver of the printed release;[44] i.e., distributors send VNRs to the media and take their chances.[45]

In addition, many argue VNRs allow nonprofit organizations, such as universities, to publicize information or viewpoints they could not afford to advance through paid advertising.[46] (Although VNR production costs vary, topping out somewhere around $80,000,[47] compared to advertising, VNRs are a relatively inexpensive way to reach the public.[48])

---

[38] Lieberman. (1992).
[39] Mason, J. (1992). "Life after the fax machine." Management Review. August. 6.
[40] Gallina. (1991).
[41] Careless, J. (1988). "Questionable sources." Maclean's. February 15. 53.
[42] Schinnick, A. (1991). "Crashing the gate (keepers)." IABC Communication World. January. 17.
[43] Miller, C. (1990). "VNRs are still hot, but they are drawing fire." Marketing News. November 12. 6,7.
[44] "DC execs flock to hear `pitch' on video." (1992). O'Dwyer's PR Services Report. December. 33.
[45] Drummond. (1993).
[46] Drummond. (1993).

VNR producers themselves say they are "facilitators" who are helping journalists[49] because radio and television reporters are generally not experts about the subjects on which they report[50] and need VNR producers to provide hard-to-get footage and expertise.[51] Producers contend that because availability of video is often a criterion in story selection,[52] and VNR producers can make video available that would be difficult if not impossible for local news stations to acquire on their own, the local station can do a better job. For example, Greenpeace has the resources to get a camera crew to Antarctica,[53] while the local station may not. In addition, producers maintain that medical and scientific subjects prove difficult for local stations to cover, because the research tends to be decentralized and stations frequently have to rely on distant stations, video stringer services, or the institution itself to provide footage and interviews.[54]

Labeling as a Response to Criticisms

The VNR industry has reacted broadly to critics who brand VNRs as fake news. For example, the Public Relations Service Council established a Code of Good Practice for VNRs and industry executives reaffirmed the industry's commitment to ethical behavior.[55] Some within the industry went still further, calling for VNR producers to affix a label to the tape, identifying it as from a firm that subscribes to the code.[56] A study by News/Broadcast Network showed that 88% of news directors said they would use more VNRs if the tapes had such labels on them, but some said labeling gives the appearance that journalists are not

---

[47] Rubin, M. (1989). "VNRs: Re-examining unrestricted use." Public Relations Journal. October. 60-62.

[48] "Making news." (1991).

[49] Drobis, D. (1992). "The increasing use of VNRs reflects a growing interdependency between television news and public relations." Broadcasting. August 24. 17.

[50] Restivo. (1990).

[51] Davis. (1989).

[52] Drummond. (1993).

[53] Davis. (1989).

[54] Wiman, A. (1991). "Producer examines value of medical VNRs." O'Dwyer's PR Services Report. April. 14.

[55] Shell. (1992).

[56] Glazer, G. (1993). "Let's settle the question of VNRs." Public Relations Quarterly. Spring. 43-46.

responsible enough to use VNRs properly.[57] Others said that clearly labeling VNRs as the product of the sponsoring organization would mitigate concerns about the integrity of using of VNRs in television news.[58]

Labeling tapes is not the only solution critics have offered. The TV Guide article recommended: "When a TV news organization includes film or tape prepared by an outside source in a broadcast, the label 'VIDEO SUPPLIED BY [COMPANY OR GROUP NAME]' should be visible for as long as the material is on screen.."[59] Various surveys have shown that only about 50% of all VNRs aired on television news are identified as such.[60]

Not all agree with labeling as a solution to the question of the ethics of using VNRs. A much-quoted critic of VNRs, Eugene Secunda, a marketing professor at Baruch College in New York City, says news operations do not identify footage because it would harm their credibility and compromise the believ-ability of their programs.[61] Laurence Moskowitz, president of Medialink, one of the largest producers/distributors of VNRs, says the vast majority of VNR stories are non-controversial, thus it is no more important for television news viewers to know the source of the video than it is for them to know that newspapers run corporate-supplied photographs of corporate executives. Others say if "supers" are used to identify footage on the air, the stations themselves should be responsible for the labeling,[62] regardless of whether the source is a VNR production company or any of the professional sports leagues that regularly make highlights of their games available to television news organizations.[63]

---

[57] Bosik, D. (1993). "Video producers debate need for VNR ethics code." O'Dwyer's PR Services Report. April. 1, 8-12.
[58] Bosik. (1993).
[59] Editors. (1992). "Recommended." TV Guide. February 22. 26.
[60] Drummond. (1993). Also, "Making news." (1991).
[61] Lieberman. (1992).
[62] Rothenberg, R. (1991). "PR images spread, via satellite." The New York Times. September 9. D1,D8.
[63] Glazer. (1993).

Some Questions

In spite of the many arguments for and against labeling, there is no consistent evidence that news viewers notice a VNR-source label, placed either throughout the footage or at the end or, if noticed, that the viewers genuinely care who supplied the VNR. To the contrary, one study reports that viewers generally do not notice an identifying graphic, and when they do notice it, the knowledge that an outside organization supplied the video does not affect the believability of the story. In that study, researchers at the University of Georgia showed a variety of VNRs, half of which carried source labels, to undergraduates. The researchers asked the students to recall the VNR stories and their attitudes toward the credibility of the stories. Questioning took place both immediately after the viewing sessions, and again two weeks later. The labels had no effect on judgments about the stories, leading the researchers to conclude that the news directors and public relations practitioners may be claiming more importance for the labels than deserved.[64]

Another study, which examined the effect of labeling "staged" video on story credibility, also found little effect of labeling. Researchers at Marquette University showed 240 students an experimental newscast with five stories, two that they manipulated with "staging-related" labels.[65] Using Meyer's media credibility index,[66] the researchers found no appreciable difference between credibility scores for a labeled story vs. an unlabeled one. The researchers concluded that labeling news video as "staged" is itself not sufficient to cause a change in the evaluation of credibility.[67]

---

[64] Hazinski, D. (1991). "Video news release labels go unread." Electronic Media. November 4. 20.

[65] Slattery, K. and Tiedge, J. (1992). "The effect of labeling staged video on the credibility of TV news stories." Journal of Broadcasting and Electronic Media. Summer. 279-285. The researchers defined staging as any re-creation, manipulation, or intervention by news professionals to obtain visuals which could not otherwise be obtained.

[66] Meyer, P. (1988). "Defining and measuring credibility of newspapers: Developing an index." Journalism Quarterly. Fall. 567-574.

[67] Slattery & Tiedge. (1992).

Consistent though these results are, it should be noted that in these two studies, neither set of researchers used continuous visual identification as argued for by the editors of TV Guide. The research reported here examines the effects of different types of labeling alone and in interaction with variation in the VNR source.

Current Study

Specifically, this study compares continuous visual labeling with both a verbal identifier only, and with using a verbal-plus-a-visual identification--each alone and in interaction with the source of the VNR--for effects on the accuracy of source identification, the perceived credibility of the VNR, and recall of information presented in the VNR story.

The following section presents the hypotheses tested here as well as our reasoning for each hypothesis:

H1a: VNRs that identify the story sponsor with a continuous visual identifier will result in more accurate sponsor identification than those with a verbal-only identifier at the end.

H1b: VNRs that identify a story sponsor with a continuous visual identifier will result in more accurate sponsor identification than those with a combination of a brief visual in the story's body plus a verbal identifier at the end.

These hypotheses rely on the suggestion by TV Guide, and are undergirded by simple learning theory, i.e., they assume viewers are more likely to notice, retain and recall visual information presented continuously throughout a message rather than a verbal only or brief visual logo plus verbal identification presented at the end.

H2a: Credibility ratings will be higher for VNRs supplied by a university than for those supplied by a business or corporation.

This hypothesis relies upon an assumption that viewers generally believe a business or corporation has an less-than-altruistic motive for supplying VNRs and thus a business-supplied VNR would be less credible than would a university supplied VNR, i.e., with a university VNR it is assumed that the viewer believes the university has a social obligation to inform the public about its work and thus the institution's messages are viewed as more credible, because the sponsor's motive is less questionable.

H2b: Credibility ratings will be higher for VNRs supplied by a university with a continuous visual than for any other combination of source and labeling.

This hypothesis combines the reasoning used in H1a&b and H2a, i.e., because viewers believe the university has an obligation to inform the public about its research results, they trust this source. Thus, using a continuous visual will cause the viewer to notice that the story was supplied by a university, generating the greatest credibility for this story over the others.

H3a: Perceptions of bias will be lower for VNR stories produced by a university than for those produced by a business or corporation.

H3b: Perceptions of bias will be lower for VNR stories produced by a university with a continuous visual than for any other combination of source and labeling.

As for the earlier hypotheses, the researchers assume that viewers expect universities to inform the public and that the perceived bias in the VNR story will be less for a university generated VNR than for one produced by a business. Also, it follows from the earlier argument that the continuous visual will be more effective in informing the audience that a univeristy produced the VNR, and thus will be more effective in reducing perceptions of bias.

H4: Those who view the VNR story with a university as sponsor will recall and retain more information about the story than those who see the VNR with either the advocacy group or the business as a sponsor.

Building on the earlier hypotheses, the fourth hypothesis assumes that perceived credibility and a low level of bias will lead to more attention to the university sponsored VNR and thus the amount of information retained and recalled will be greatest for that VNR.

The last hypothesis explores the effect of use of VNR materials for those who are highly reliant on television for their news. This hypothesis assumes that the highly reliant TV news viewer is sophisticated about news sources, often observes the use of VNR material in newscasts, and thus is more likely to believe that there is nothing unethical or wrong with TV news using VNR-generated news materials, regardless of the source of those materials.

The hypothesis is:

H5: TV news viewers who are highly reliant on television for news and view the VNR with the continuous visual will be more likely to agree that it is acceptable to use VNR-generated materials, than those who are not reliant on TV for news, regardless of the source of the VNR material.

Method

The researchers conducted an experiment using an actual newscast with a VNR edited into it[68] to test the hypotheses. The VNR story, edited into the newscast as the third story in a nine-story segment, was about a new cancer-fighting drug–taxol–and efforts made to produce the drug without harvesting the endangered pacific yew trees, the only known source of taxol.[69]

---

[68] The first author, a former broadcast news professional, edited the newscast removing one story and replacing it with a video news release. The newscast was supplied by WBBH-TV in Ft. Myers, Florida, as were the manipulated lead-ins and anchor tags pertaining to the inserted VNR. Two other television news professionals, Brad Wasson and Laura Smith, who together have more than 25 years experience in TV, reviewed the edited newscast to determine whether it met industry standards and concluded it did. (We thank them for their help with this study.) The VNR originally was produced by media relations professionals at the University of Florida, but all references to Florida and the Uni-

The researchers manipulated two factors, with three levels each: the identifier type and the VNR source. The three identifiers used were either: 1) a visual graphic identifying the sponsor for the story's entire duration, 2) a verbal sponsor identification by the anchor at the end of the story, or 3) a brief visual graphic appearing in the story body followed by a verbal sponsor identification at the story's end. The second factor also had three levels. The VNR identified the supplier as: 1) Washington State University, 2) a fictitious conservation group, Save Our Forests, or 3) a fictitious pharmaceutical company, Abbaco Pharmaceuticals. This resulted in a 3 X 3 factorial design with nine separate versions of the newscast. In addition a tenth group, a control group, viewed an unmanipulated version of the newscast that had no reference to the VNR story's source. All aspects of the nine newscasts were exactly the same except for the method used to identify the VNR and the institution identified as the supplier of the story.

There were two steps to the experiment. First the researchers administered a pretest to about 200 students enrolled in an introductory public relations class. The pretest asked about demographic and personality factors that might influence how the subjects answered the questions on the post-test. The students were then invited to take part in a study they were told was about different styles of news delivery.

The students who volunteered were randomly assigned to one of the ten experimental conditions. Next, over the course of three class sessions in a smaller room and as a group, randomly assigned subjects watched one of 10 versions of the edited newscast. Following the newscast, subjects were given a

---

versity of Florida were edited from the experimental treatments so as not to prejudice the subjects, who were undergraduate University of Florida students.

[69] A university medical researcher had developed a method to increase the yield on taxol-producing analogs from already harvested yew trees.

questionnaire to measure their ability to spot differing identification methods and their opinions about the credibility of all the stories in the newscast (including the VNR story) plus the newscast as a whole.

The experiment generated 150 sets of matched pre- and post-tests;[70] 46 subjects were randomly assigned to the university source condition, 46 to the advocacy group condition and 45 to the business condition. For the type of identification, 55 subjects saw the newscast with the continuous visual identification, 45 saw the verbal identification only newscast and 37 saw the condition with the brief visual logo and a verbal identification at the end.[71]

FINDINGS

The findings' section presents the results of the hypotheses tests and related post hoc analyses for accuracy of identification of the VNR source, credibility of the source, perceptions of source bias, learning and retention from the VNR story, and effects of media reliance on perceptions of the appropriateness of using VNRs in TV news.

Accuracy of Identification of VNR Source

Three questions measured the accuracy of the identification of the VNR source. The first asked, "How likely is it that any story in the newscast you just saw was produced by a non-news organization and supplied to the television station?" The choices were: "likely" and "unlikely." The next question asked: "If likely, which story(s) do you think was supplied?" This was coded so that the response was either correct or incorrect. The next question asked, "Who do you think supplied it?" This was coded into four categories: a university, an advocacy group, a business, or other. Finally, to learn how the subjects identified the source of the information, they were asked: "How did you determine who supplied it?" This was coded into four categories to correspond with the identification manipulations: saw it, saw it and heard it, heard it, or other. Table No. 1 presents the results for source accuracy by the type of identifying label.

---

[70] Of the 150 subjects, a slight majority (64.7%) were female, most were born in the 1970s and the median age was 20. Nearly all (145 of 150) subjects were single and more than half (56.7%) were juniors and communications majors with 36.7% studying public relations and another 16.6% in some other area of mass communications. The rest (46.7%) were in majors outside journalism and communications. A large percentage (82.7%) of the subjects were Caucasian. Nearly two-thirds of the subjects (61.4%) reported their fathers had a bachelor's degree or higher, while nearly half (48.7%) reported that their mothers were holders of a four-year degree or higher and another 29.3% reported their mothers had attended college for a time.

[71] Although the experimenters ensured that there were equivalent numbers of subjects assigned to each condition, variation in class attendance over the three days of the study caused a slight variation in the size of the experimental cells. Additionally, two subjects were removed from the study because their answers clearly indicated that they had surmised the actual intent of the study.

The type of labeling appears to have affected how subjects made their judgments, and in the direction anticipated [Chi-square (6) = 24.5, p < .0007]. Of those in the continuous visual condition, 16.4% said they saw it in the story, 5.5% said they heard it and none said they saw and heard it. Of those in the brief visual plus verbal condition, 5.4% said they saw and heard it, 21.6% said they heard it and 2.7% said they saw it. For those in the verbal only condition, 26.7% said they heard it and no one said they saw it, or saw and heard it. Although the results are consistent with the manipulation, most of the subjects (over 70% in all three conditions) used other reasoning strategies to conclude who supplied the story; the most common response (29.2%) was that the subject figured it out based upon his or her perception of a bias in the story.

There were two hypotheses for accuracy of source identification:

H1a: VNRs containing a continuous visual identifier of the story sponsor will result in more accurate sponsor identification than those containing a verbal only identifier at the end.

H1b: VNRs containing a continuous visual identifier of the story sponsor will result in more accurate identification than those containing a combination of a brief visual in the story's body plus a verbal identifier at the end.

In spite of the relative accuracy of self-reports about how the subjects learned who supplied the story, the type of labeling did not affect the actual accuracy. There were no significant differences in the accuracy of identification by label type, [Chi-square (6) = 3.14, $p < .79$]; i.e., regardless of the type of identifier, subjects were no more likely to attribute it to one sponsor over another. Also, the percentage who said that it was likely any story was supplied [Chi-square (2) = ,86, $p < .66$], nor the percentage who identified the VNR story as supplied [Chi-square (2) = 3.19, $p < .21$], did not differ by type of identifier. (See Table No. 1.)

Although there were no hypotheses about source effects on identification accuracy, additional tests were conducted to determine whether there were main effects for accuracy of source identification by the VNR source. Table No. 2 presents the results of that analysis. Overall (as necessary to the assumptions of the study) the reported source condition was associated with the accuracy of the reporting of the story source [Chi-square (6) = 34.0, $p < .0001$]. Of those in the university condition, 34.8% correctly said it was supplied by a university (compared with 19.6% and 8.9% for the advocacy and business treatments, respectively). Of those in the advocacy condition, 34.8% correctly said it was supplied by an advocacy group (compared with 4.3% for those in the university condition and 13.3% for those in the business condition). For those in the business condition, 51.1% correctly said a business supplied the VNR (compared with 19.6% in the university condition and 15.2% in the advocacy condition).

The VNR source also affected the subjects' perception of whether any stories in the newscast were supplied. Of those who saw the newscast with the VNR sponsored by the confederate advocacy group (Save our Forests), 91.3% said it was likely that any story was supplied, while 65.1% of those who saw the University of Washington-sponsored newscast and 82.2% of those who saw the business-sponsored newscast said it was likely any story was non-news organization produced [Chi-square (2) = 9.92, $p < .008$]. There are no significant differences by story sponsor for the percentage correctly identifying the VNR story as supplied, [Chi-square (2) = 3.29, p < .20], nor for how subjects said they learned who supplied the story [Chi-square (6) = 1.33, p < .97)

Credibility of Sources

Seven questions measured how much credibility television news has when it uses VNRs. The first question asked the subjects how much, on a 7-point Likert index, they agreed or disagreed with the statement: "A story produced by a non-news organization and supplied to a television news station is less believable than one produced by a news organization." The next three questions, also using 7-point Likert measures, asked for agreement or disagreement with the statement, "Television news is credible when it uses news stories produced by: . . . ." This was followed by "a) a university," "b) an advocacy group," or "c) a corporation or business." Finally, three more questions, using the same 7-point Likert measures, asked subjects how much they agreed or disagreed with the statement: "As a general rule, television news stations should not use a news story produced by: . . . . " This was followed by: "a university, b) an advocacy group, or c) a corporation or business."

The hypotheses were:

H2a: Credibility ratings will be higher for VNRs supplied by a university than for those supplied by a business or corporation.

H2b: Credibility ratings will be higher for VNRs supplied by a university and with a continuous visual than for any other combination of source and labeling.

The hypotheses are tested with MANOVA for all 7 dependent variables using a significance test for the source main effect (for the first hypothesis) and a test of the interaction significance for the second hypothesis.

For H2a and H2b, the MANOVAs revealed no significant interaction effect on any of the credibility measures for the source of the VNR with the type of identifying label, [Approx. F(28,496)=.87, p < .66], for the main effect of the source [Approx. F(14,244)=.52, p<.92], (credibility ratings are no higher for VNRs supplied by a university than for those supplied by a business or corporation) or for the main effect of the label type [Approx. F(14,244)=1.22, p<.26]. (See Table No. 3 for the means.)

Although not hypothesized, the test for the simple main effect of the identification type with the source revealed that there was an effect for the question: "Television news is credible when it uses news stories produced by a university" [Approx. F(14,244)=1.74, p<.049; F(8], but only when the source of the VNR was the fictitious advocacy group, "Save our Forests [Univariate F(2,127) = 3.52, p<.033].

When all seven of the items were combined into a simple, summed index[72], there are no significant main effects or interactions, nor any significant simple main effects.

Perceptions of Bias

Using a 7-point Likert measure, the subjects were asked how much they agreed or disagreed with statements about the "new cancer drug" story and later "the newscast as a whole." The new cancer drug question said, "The story about the new cancer drug:" a) "was unbiased," b)" told the whole truth," c) "can be trusted," d) "didn't separate fact from opinion," e) "was inaccurate," and f) "was unfair."

The hypotheses were:

H3a: Perceptions of bias will be lower for VNR stories produced by a university than for those produced by a business or corporation.

H3b: Perceptions of bias will be lower for VNR stories supplied by a university with a continuous visual than for any other combination of source and labeling.

---

[72] The internal consistency reliability coefficient (Cronbach's alpha) for this 7-item index was .79; removing items from the index would not improve its internal consistency.

Table No. 4 presents the results for these hypotheses. The MANOVA indicated no significant main effect for message source on perceptions of bias [Pillai's Trace = .13, Approx. F(12,246) = 1.41, p < .163], nor were any of the univariate tests significant. The MANOVA test for the interaction of the source with identification type was nonsignificant: Pillai's Trace = .11, Approx. F(24,500) .62, p < .94. In addition the test for the main effect of identification type was not significant (Pillai's Trace = .09, Approx. F(12,246) = .96, p < .49, but one of the univariate F's was significant. F(2,127) = 3.20, p < .045. This was for the dependent variable asking if the story separated fact from opinion. The mean for the verbal-only identification was 4.1, for the continuous indicator it was 4.2 and for the brief visual logo plus the verbal identification at the end it was 4.7, i.e., the least bias was perceived when the identification type was the brief visual logo plus the verbal sponsor identification at the story end. (The results were identical when the perception bias measures were treated as an index.[73])

Another MANOVA was conducted for the interaction and main effects of the source and identification type on perceptions of bias made about the whole newscast. The tests for interactions and main effects were not significant; neither the source nor the type of identification alone nor in interaction affected the perception of the bias of the entire newscast.[74]

Learning and Retention from the VNR Story

Five open-ended questions asking for information learned from the VNR and 5 true-false questions measured the accuracy of that learning. The open-ended questions asked: 1) "Why is there controversy over the use of taxol?", 2) "From the bark of which tree is taxol derived?", 3) "Where is that tree found?", 4) "Additional compounds produced by the new process are called:", and 5) "Using old processing methods, how much of the bark might be wasted?". The five true-false questions were: 1) "A new method makes processing the bark more efficient.", 2) "The researcher involved is a native of the United States.", 3) "Taxol is a drug used to treat asthma.", 4) "A patent for the new process has been awarded to the researcher.", and 5) "More than ten million pounds of bark have been harvested already." All ten questions were coded so that a correct response received a "1" and an incorrect response a "0".

---

[73] The internal consistency reliability coefficient (Cronbach's alpha) was .82 for the 6-item index.

[74] The internal consistency reliability coefficient (Cronbach's alpha) for the 6-item index was .88.

The hypothesis was:

H4: Those who view the VNR story with a university as sponsor will recall and retain more information about the story than those who see the VNR with either the advocacy group or the business as a sponsor.

Tables Nos. 5 and 6 report the results for type of identifier and for source of the VNR. Overall, the hypothesis were not supported, but for type of identifier, three questions were in the significant range. For source, one variable approached significance. Those who saw the VNR with the brief visual plus verbal at the end, when compared with those who saw the VNR with the verbal identifier only at the end, were more likely to provide correct answers to two open-ended questions: the tree from which taxol is derived (54.1% vs. 28.9%) for those in the verbal at end only condition [Chi-square (2) = 5.91, $p < .053$], and the name of the additional compounds produced by the process (10.8% vs. 0.0), [Chi-square (2) = 4.82, $p < .09$]. For the true-false questions, 50.9% of those in the continuous visual condition answered the question about whether the researcher was a U. S. native correctly, while only 20.0% in the verbal only group and 37.8% of those in the visual plus verbal group did so, [Chi-square (2) = 10.1, $p < .007$]. For the effect of the source of the VNR, 28.3% of those in the advocacy group condition answered the question asking how much of the bark would be wasted using old methods correctly, while only 17.4 % of those in the University group and 8.9% of those in the business condition did so [Chi-square (2) = 5.76, $p < .06$].

Effects of Media Reliance on Acceptability of Using VNR-Generated News Stories

The final hypothesis was:

> H5: TV news viewers who are highly reliant on television for news and view the VNR with the continuous visual will be more likely to agree that it is acceptable to use VNR-generated materials, than those who are not reliant on TV for news, regardless of the source of the VNR material.

Reliance on television for news was measured by two diifferent sets of questions; the first set asked about reliance or attachment to the subject's more preferred TV news program and the second set asked about reliance on TV news for different kinds of information. For the first type of reliance, subjects were asked, "Of the national or international news programs or channels you watch, which one do you prefer the most? (Check only one)."[75] The next three questions referred to the most preferred program. The first asked, "If, for some reason, you were not able to watch your preferred program from above, would you miss it: Extremely, Very Much, Somewhat, A Little, or None at All?" This was followed by, "How botherered would you be if you could not watch your preferred program from above? Would you be bothered: Extremely, Very Much, Somewhat, A Little, or None at All?" The last question in this set asked, "How disappointed would you feel if you were not able to watch your favorite TV news program? (Circle the number that best indicates how you would feel.) This question was followed by a 1 to 10 scale where "1" was tagged with "I would not be disappointed at all." and 10 was tagged with "I would be very disappointed.")

---

[75] This question was followed by a list of 13 news programs or channels, plus room for an open-ended response. The perentage responding to each program is: CNN, 22.1%; ABC World News (Jennings), 16.8%; 20/20, 14.8%; CBS (Rather), 9.4%; NBC Nightly News (Brokaw), 8.1%; TV-20, 7.4%; 60 Minutes, 5.4%;Good Morning America, 5.4%; The Today Show, 2.0%; C-SPAN, 1.3%; Nightline, (Koppel), 0.7%; CBS This Morning, 0.0%; Meet the Press, 0.0%, and Other, 6.1%.

To probe into the subjects' more general reliance on TV for news about different topics, four separate topics were addresed. Subjects were asked: "How much do you rely on TV news for information about the following topics: (Circle the number that best indicates how much you rely on TV news for each topic.)" The subjects were: 1) "National Topics," 2) "State and Regional Topics, 3) "Local and Community Topics," and 4) "Health Topics."[76] These seven items were standardized and summed into an index to reflect media reliance. Cronbach's alpha for the standardized index is .77. For the test of the hypotheis, a median split was performed on the media reliance index to reflect high and low levels of reliance on television for news..

Table No. 7 presents the MANOVA results and the means for the media use hypothesis. Although the three-way interaction of source by type of identification by media reliance approached significance ($p <$ .083), only one of the dependent variables—whether TV news should use business-produced VNR's was significant ($p <$ .042). For the test of the interaction of type of identification by media reliance, all three of the dependent variables were significant. Thus, the major focus of the discussion here is on those results.

Regardless of whether the question asked about TV news using university, advocacy group or business-produced stories, the results are consistent. Those who identified themselves as low in reliance on TV for news were the least likely to agree that TV news should use this produced material, but only after watching a VNR with a combination brief visual plus a verbal tag at the end, regardless of the source of the VNR. When the other labeling methods were used, there was no significant difference between those low in media reliance or those high. The results are consistent regardless of whether the story source is a corporation or business, an advocacy group or a university. Thus, contrary to the hypothesis, it is only those who are low in TV reliance and who saw the video with the brief visual logo and the verbal identification at the story end who were so affected.

---

[76] The scale ranged from 1 to 10 with "I do not rely at all on TV news," anchoring the "1" and "I rely very much on TV news." anchoring the "10."

Conclusions and Discussion

The results of this study generally support the conclusions of earlier research that a VNR label has no appreciable simple main effect on the viewer's ability to identify accurately the VNR story as one supplied by a source nor to identify accurately the story's source.

What this study does help us to understand, however, is that **the type of label significantly affects beliefs about the appropriateness of the use of VNR for viewers who are not reliant on TV for news regardless of the VNR source, but with a different label than the one suggested by TV Guide**. On the other hand, different types of labeling result in similar viewer perceptions of new story credibility, and similar levels of recognition and retention of the VNR source. (Although there were some limited effects for the brief visual-plus-verbal identifier at the end on the some of the recall questions, the findings are inconclusive.)

The source of the VNR appears to have some limited effects, but only for those who saw the advocacy group VNR; they were more likely to believe one of the stories was a "supplied" story, but there was no difference in their ability to ascertain which story. There were other limited effects for the advocacy group as the source: When the advocacy group was the source and a continuous visual was used, this caused the viewers to attribute less credibility to university produced news. (One could suspect that the viewers perceived the university researcher as having "sold out" to support the advocacy group's position.) Finally, when the advocacy group was the source, there was some limited evidence suggesting slightly more retention and recall of some of the information.

In terms of whether TV news should use sponsored stories, the results of this experiment indicate that, for those reliant on TV for news, following the TV Guide suggestion that continuous visual identifiers be placed on VNRs is not likely to have any advantage over the either a brief visual plus a verbal identifier or a verbal tag at the end of the VNR. Also, from a practical standpoint, it is likely that news operations would find either the verbal only or the combination brief visual\verbal identifier less obtrusive than a continuous visual. Use of a continuous visual identifying the source would limit or negate the news operation's ability to use other "supers" in the story.

Limitations

In this section we will focus on two concerns related to this research: can the findings be accounted for by other explanations (internal validity) and would we expect to observe the same results in other settings or with other subjects (external validity).

1) Internal validity: Researchers provided a controlled setting and randomly assigned subjects to all 10 conditions. The researchers did not reveal the true intent of the study until after the data were gathered; subjects were told they would be asked questions about a news delivery style. Because this was a controlled experiment, there is little reason to believe that the relationships observed here could be accounted for by factors other than the experimental manipulations.

2) External validity: Because all the subjects were college students with similar economic, education,, and social backgrounds, the findings must be limited to similar groups. But even more important, because this research occurred in a "lab setting" the results are likely to be stronger than they would be in a field setting where there are more distractions during normal viewing. Thus, effects that occur in a natural setting should be weaker than those observed here.

Suggestions for Further Research

This study used a complete "package" as supplied by the sponsoring organization. Much of the literature suggests that news stations often use only portions of the VNR, adding their own reporters' voices and additional footage to "localize" the story. Perhaps when the some of the VNR footage is edited into the newscast, the effects would be different. Research that examines the effect of labeling portions of a story as having been supplied by an outside source in comparison with stories that are not labeled might shed more light on the question of the credibility and believability.

Finally, although this study found little overall effect for labeling type, it is likely that there are many conditions under which this is not true; specifically when the viewer has a strong interest in the topic (this may have caused some of the differences for the "Save our Forests" VNR given the college student population and interest in the environment) or is a sophisticated consumer of television news. It seems likely that news consumers who are knowledgeable about the use and abuse of VNRs in television news would be more likely to distrust stories using non-news-organization-supplied materials. An interesting experiment would be to compare groups who have read an "educational" article about the use of VNRs in the news (such as the TV Guide article), in terms of their attributions of credibility and appropriateness of the use of VNRs in news with groups who have not been exposed to this debate. As with this study, we would expect that those who are not reliant on TV for news would react more negatively to the use of the VNR than those who are relatively sophisticated consumers of TV news.

Finally, it appears from this work--particularly with news viewers who are not reliant on TV news--that the use of the logo plus a verbal identification at the end is a more effective means of alerting these viewers to the fact that the material is supplied rather than generated by a news organization than is a continuous visual. One must ask, Why? Although this results here appear to fly in the face of conventional wisdom that continuous repetition of a message is most effective, at least for retention and recall, it would be predicted by dual-coding theory; [77] with visual information and verbal information processed separately and a greater chance of recognition of information presented in two channels. Thus, it appears that the brief verbal at the end of the VNR is a necessary but not sufficient condition for gaining the attention of those who are not reliant on TV for news; visual information is also necessary. This suggests that the combination of the continuous visual with a verbal identification at the end might be even more effective than the brief logo plus verbal identification at the end. What is apparent is that the continuous visual identification is not superior to the other identification strategies used here and that the suggestion in the TV Guide article has no support in fact.

---

[77] Paivio, A. (1978). "The relationship between verbal and perceptual codes." In E. C. Carterrete and M. P. Friedman (eds.), Handbook of Perception Vol. 8. NY: Academic Press. 375-397.

Table No. 1 Accuracy of Identification of VNR By Type of Identification Used in the VNR

		Type of Identifier					
		Continuous Visual Throughout	**Brief Visual Plus Verbal at End**	**Verbal Only at End**	**Chi-Square**	**DF**	**Sig.**
	N =	55	37	45			
1)	Percent saying how they learned who supplied the story:						
	Saw it in the story	16.4%	2.7%	0.0%			
	Saw & heard it	0.0	5.4	0.0			
	Heard it	5.5	21.6	26.7			
	Other	78.2	70.3	73.3	24.5	6	.0007
2)	Percent saying it's likely that any story in the newscast was produced by a non-news organization and supplied to the television station	80.0	83.8	75.6	.86	2	.66
3)	Percent correctly identifying the VNR story as supplied	63.0	81.3	65.7	3.19	2	.21
4)	Percent saying story supplied by:						
	University	16.4	24.3	24.4			
	Advocacy group	16.4	18.9	17.8			
	Business	30.9	32.4	22.2			
	Other supplier	36.4	24.3	35.6	3.14	6	.79

Table No. 2 Accuracy of Identification of Video News Release By Source of the VNR

		Source of VNR					
		University	Advocacy Group	Business	Chi-Square	DF	Sig.
	N =	46	46	45			
1)	Percent saying story supplied by:						
	University	**34.8%**	19.6%	8.9%			
	Advocacy group	4.3	**34.8**	13.3			
	Business	19.6	15.2	**51.1**			
	Other supplier	41.3	30.4	26.7	34.0	6	.00001
2)	Percent saying it's likely that any story in the newscast was produced by a non-news organization and supplied to the television station	65.2%	91.3%	82.2%	9.92	2	.008
3)	Percent correctly identifying the VNR story as supplied	59.4	78.6	66.7	3.29	2	.20
4)	Percent saying how they learned who supplied the story:						
	Saw it in the story	8.7	6.5	6.7			
	Saw & heard it	2.2	0.0	2.2			
	Heard it	17.4	17.4	15.6			
	Other	71.7	76.1	75.6	1.33	6	.97

Table No. 3 Credibility Ratings by Source and Type of Identifier for the VNR

	Type of Identifier		
Source of The VNR:	**Continuous Visual Throughout**	**Brief Visual Plus Verbal at End**	**Verbal Only at End**
University (of Washington)			
1) Story produced by non-news organization less credible than by news organization[78]	3.5	3.8	4.0
2) Television news is credible when it uses news stories produced by:[79]			
a) a university	4.6	4.4	4.8
b) an advocacy group	3.4	3.1	3.4
c) a corporation or business	3.4	3.2	3.3
3) As a general rule, television news stations should not use a news story produced by:[80]			
a) a university	5.1	5.1	5.4
b) an advocacy group	4.4	3.7	3.8
c) a corporation or business	4.3	3.8	4.1
Advocacy Group (Save Our Forests)			
1) Story produced by non-news organization less credible than by news organization	4.3	3.5	3.7
2) Television news is credible when it uses news sources produced by:			
a) a university	3.8*	4.7*	4.7*
b) an advocacy group	2.9	2.7	3.4
c) a corporation or business	2.9	3.6	2.9
3) As a general rule, television news stations should not use a news story produced by:			
a) a university	4.7	5.3	5.0
b) an advocacy group	3.7	3.7	3.6
c) a corporation or business	3.8	3.9	3.5

---

[78] Likert index from 1 to 7 where high number indicates high disagreement, i.e., high credibility.

[79] Likert index from 1 to 7 where high number indicates high agreement, i.e., high credibility.

[80] Likert index from 1 to 7 where high numbers indicate high disagreement, i.e., high credibility.

Business or Corporation (Abbaco Pharmaceuticals)				
1)	Story produced by non-news organization less credible than by news organization	3.7	3.7	3.0
2)	Television news is credible when it uses news sources produced by:			
	a) a university	4.4	4.4	4.8
	b) an advocacy group	3.8	4.7	4.7
	c) a corporation or business	3.5	3.2	3.0
3)	As a general rule, television news stations should not use a news story produced by:			
	a) a university	4.8	4.8	4.9
	b) an advocacy group	3.9	3.3	3.9
	c) a corporation or business	3.9	3.7	3.7

MANOVA results:

Interaction of source and type of identification:
Pillai's Trace = .19, Approx. F(28,496) = .87, p< .66
Main effect of type of identification:
Pillai's Trace = .13, Approx. F(14,244) = 1.23, p< .26.
Main effect of source:
Pillai's Trace = .06, Approx. F(14,244) = .52, p < .93
Simple main effect for advocacy group as source:
Pillai's Trace = .18, Approx. F(14,244) = 1.74, p< .049.

*Indicates univariate F-test is significant: F(2,127) = 3.52, p< .032

Table No. 4 Bias by Source and Type of Identifier for the VNR

	Type of Identifier		
	Continuous Visual Throughout	Brief Visual Plus Verbal at End	Verbal Only at End
The story about the new cancer drug:			
Source of the VNR:			
University (of Washington)			
1) was unbiased[81]	4.6	4.6	4.3
2) told the whole truth[82]	4.3	4.3	4.4
3) can be trusted[83]	4.7	4.8	4.6
4) didn't separate fact from opinion[84]	4.0	4.6	3.9
5) was inaccurate	4.6	4.5	4.5
6) was unfair	4.7	4.7	4.9
Advocacy Group (Save our Forests)			
1) was unbiased	4.4	4.5	4.7
2) told the whole truth	4.0	4.2	4.5
3) can be trusted	4.2	4.5	4.8
4) didn't separate fact from opinion	4.4	4.9	4.4
5) was inaccurate	4.8	5.1	4.9
6) was unfair	5.1	5.1	5.1
Business or Corporation (Abbaco Pharmaceuticals)			
1) was unbiased	4.6	4.2	4.4
2) told the whole truth	4.5	4.2	4.5
3) can be trusted	4.7	4.2	4.6
4) didn't separate fact from opinion	4.4	4.6	3.9
5) was inaccurate	4.8	4.4	4.7
6) was unfair	5.2	4.6	4.7

---

[81] The question was on a 7-point Likert index where high numbers indicate strong agreement with the statement, i.e., no bias.

[82] The statement was rated on a 7-point Likert index so that high numbers indicate high agreement, i.e., the story was truthful.

[83] The statement was rated on a 7-point Likert index so that high numbers indicate high agreement, i.e., the story can be trusted.

[84] The next three items were measured on a 7-point Likert measure so that high numbers indicate high disagreement, i.e., the story is not biased.

MANOVA results:

Interaction of source and type of identifier:
Pillai's Trace = .11, Approx. F(24,500) = .62, p< .94
Main effect of identification:
Pillai's Trace = .09, Approx. F(12,246) = .96, p< .49
Main effects of source:
Pillai's Trace = .13, Approx. F(12,246) = 1.41, p< .163.

There were no significant univariate Fs.

Table No. 5 Recall and Retention by Type of Identifier of the VNR

		Type of Identifier					
		Continuous Visual Throughout	**Brief Visual Plus Verbal at End**	**Verbal Only at End**	**Chi-Square**	**DF**	**Sig.**
Percent providing a correct answer to open-ended question:							
1)	Why is there controversy over the use of taxol?	63.6%	75.7%	60.0%	2.39	2	.30
2)	From the bark of which tree is taxol derived?	47.3	54.1	28.9	5.91	2	.053
3)	Where is that tree found?	23.6	29.7	13.3	3.35	2	.19
4)	Using old processing methods, how much of the bark might be wasted?	20.0	21.6	13.3	1.12	2	.58
5)	Additional compounds produced by the new process are called:	9.1	10.8	0.0	4.82	2	.09
Percent providing a correct answer to true/false questions:							
1)	A new method makes processing the bark more efficient. (True)	85.5	83.8	91.1	1.12	2	.58
2)	Taxol is a drug used to treat asthma. (False)	78.2	81.1	86.7	1.21	2	.55
3)	The researcher involved is a native of the United States. (False)	50.9	37.8	20.0	10.1	2	.007
4)	A patent for the new process has been awarded to the researcher. (True)	29.1	24.3	26.7	.26	2	.88
5)	More than ten million pounds of bark have been harvested already. (False)	7.3	5.4	6.7	.13	2	.94

Table No. 6 Recall and Retention by Source of the VNR

	Source of the VNR University	Advocacy Group	Business	Chi-Square	DF	Sig.
Percent providing a correct answer to open-ended questions:						
1) Why is there controversy over the use of taxol?	67.4%	64.4%	65.2%	.10	2	.95
2) From the bark of which tree is taxol derived?	50.0	32.6	46.7	3.19	2	.20
3) Where is that tree found?	30.4	19.6	15.6	3.16	2	.21
4) Using old processing methods, how much of the bark might be wasted?	17.4	28.3	8.9	5.76	2	.06
5) Additional compounds produced by the new process are called:	6.5	6.5	6.7	.001	2	.99
Percent providing a correct answer to true/false questions:						
1) A new method makes processing the bark more efficient. (True)	87.0	91.3	82.2	1.65	2	.44
2) Taxol is a drug used to treat asthma. (False)	73.9	80.4	91.1	4.59	2	.11
3) The researcher involved is a native of the United States. (False)	39.1	37.0	35.6	.13	2	.94
4) A patent for the new process has been awarded to the researcher. (True)	28.3	21.7	31.1	1.07	2	.59
5) More than ten million pounds of bark have been harvested already. (False)	6.5	8.7	4.4	.76	2	.72

Table No.7 **TV News Snould Not Use Source-Produced News Stories by Type of Identifying Label and Level of Media Reliance**

	Type of Identifier		
Media Reliance	**Continuous Visual Throughout**	**Brief Visual Plus Verbal at End**	**Verbal Only at End**
Low Media Reliant Subjects			
As a general rule, television news stations should not use a news story produced by:[85]			
a) a university	5.0	4.2	4.9
b) an advocacy group	4.2	2.4	3.8
c) a corporation or business	4.2	2.6	3.7
High Media Reliant Subjects			
As a general rule, television news stations should not use a news story produced			
a) a university	4.8	5.5	5.4
b) an advocacy group	3.8	4.0	3.8
c) a corporation or business	4.0	4.6	3.6

MANOVA results:

Interaction of source, type of identifier and media reliance:
Pillai's Trace = .34, Approx. F(28,424) = 1.41, p< .083
Significant univariate F-tests:
Business Use, F(4,109) = 2.58, p < .042

Interaction of type of identifier by media reliance:
Pillai's Trace = .19, Approx. F(14,208) = 1.57, p< .092
Significant univariate F-tests
University Use, F(2,109) = 3.76, p < .027
Advocacy Group Use, F(2,109) = 3.92, p < .024
Corporation or Business Use, F(2,109) = 4.86, p < .01

Interaction of source by media reliance:
Pillai's Trace = .11, Approx. F(14,208) = .85, p< .62
There were no significant univariate F-tests

Interaction of source by type of identifier:
Pillai's Trace = .26, Approx. F(28,424) = 1.07, p< .373
There were no significant univariate F's.

---

[85] Items measured with a 7-point Likert index where high numbers indicate high disagreement with the item, i.e., agreement that TV news stations should use the news stories.

Main effect of type of identifier:
Pillai's Trace = .14, Approx. F(14,208) = 1.12, $p < .34$
Main effects of source:
Pillai's Trace = .10, Approx. F(14,208) = .85, $p < .62$
Main effect of media reliance:
Pillai's Trace = .07, Approx. F(7,103) = 1.09, $p < .38$

There were no significant univariate Fs for any of the main effects.

U.S. DEPARTMENT OF EDUCATION

OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT (OERI)

EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

Please return to:
ERIC/RCS
150 Smith Research Center
Bloomington, IN 47408-2698

REPRODUCTION RELEASE (Specific Document)

I. DOCUMENT IDENTIFICATION

Title: The Effect of Type of Labeling and of Sponsor on Credibility of Video News Releases

Author(s): C.A. Tuggle & M.A. Ferguson

Corporate Source (if appropriate): NA

~~Publication~~ Date: 8/12/94 Presentation

II. REPRODUCTION RELEASE

In order to disseminate as widely as possible timely and significant materials of interest to the educational community, documents announced in the monthly abstract journal of the ERIC system, Resources in Education (RIE), are usually made available to users in microfiche and paper copy (or microfiche only) and sold through the ERIC Document Reproduction Service (EDRS). Credit is given to the source of each document, and, if reproduction release is granted, one of the following notices is affixed to the document.

If permission is granted to reproduce the identified document, please CHECK ONE of the options and sign the release below.

CHECK HERE ➡ ☑ Microfiche (4" x 6" film) and paper copy (8½" x 11") reproduction

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY
(PERSONAL NAME OR ORGANIZATION, AS APPROPRIATE)
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

OR ☐ Microfiche (4" x 6" film) reproduction only

"PERMISSION TO REPRODUCE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY
(PERSONAL NAME OR ORGANIZATION, AS APPROPRIATE)
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

Documents will be processed as indicated provided reproduction quality permits. If permission to reproduce is granted, but neither box is checked, documents will be processed in both microfiche and paper copy.

"I hereby grant to the Educational Resources Information Center (ERIC) nonexclusive permission to reproduce this document as indicated above. Reproduction from the ERIC microfiche by persons other than ERIC employees and its system contractors requires permission from the copyright holder. Exception is made for non-profit reproduction of microfiche by libraries and other service agencies to satisfy information needs of educators in response to discrete inquiries."

SIGN HERE ➡

Signature: Charles A. Tuggle
Printed Name: Charles A. Tuggle
Organization: Univ. of Montevallo
Position: Instructor
Where to send complimentary microfiche-->
Address: Station 6625
Montevallo, Al.
Zip Code: 35115
Tel. No.: 205-665-6624
Date: 8/22/94

III. DOCUMENT AVAILABILITY INFORMATION (Non-ERIC Source)

If permission to reproduce is not granted to ERIC, *or*, if you wish ERIC to cite the availability of the document from another source, please provide the following information regarding the availability of the document. (ERIC will not announce a document unless it is publicly available, and a dependable source can be specified. Contributors should also be aware that ERIC selection criteria are significantly more stringent for documents which cannot be made available through EDRS.)

Publisher/Distributor:
Address:
Price Per Copy:
Quantity Price:

IV. REFERRAL TO COPYRIGHT/REPRODUCTION RIGHTS HOLDER

If the right to grant reproduction release is held by someone other than the addressee, please provide the appropriate name and address:

EFF-53 (Rev 4 86)

BEST COPY AVAILABLE

GUIDELINES FOR COMPLETING THE REQUEST FOR REPRODUCTION RELEASE FORM

Under the present copyright law a reproduction release must be obtained for each document before it can be processed for the ERIC system. There are three options:

(Level I) Microfiche (4" x 6" film) and paper copy (8-1/2" x 11") reproduction

This option, which allows ERIC to make the document available on microfiche or in paper copy is most frequently chosen by authors. (77% of ERIC documents are entered as Level I.) This arrangement does not preclude later publication of the document or sale of a printed version by author or institution. However, if you have a limited supply of printed copies or if the document should go out of print, a copy of your document from which other copies can be made will always be available in ERIC.

(Level II) Microfiche (4" x 6" film) reproduction only

This option allows ERIC to make the document available throughout the system on microfiche only. It is most useful if you have a large supply of printed copies but would like to refer requestors to ERIC once your supply is exhausted. This arrangement does not preclude later publication of the document, or sale of the printed document by the author or institution. The ERIC copy of the paper serves an archival function. (13% of ERIC documents are entered in this way.)

(Level III) Document may not be reproduced by ERIC. (Complete Section III of the form.) The document will be cited with bibliographic information, an abstract, and availability information.

NOTE: It is recommended that materials be submitted at Level I or Level II to insure their future availability.

New Directions for Employee Communications: A Study of Corporate Public Relations Executives

Donald K. Wright
Professor of Communication
1000 University Commons
University of South Alabama
Mobile, AL 36688

(205) 380-2800
Note: Area Code becomes 334
on January 15, 1995

A paper
presented to a Research Session of the
Public Relations Division
Association for Education in Journalism
and Mass Communication
Atlanta, Georgia
August 10, 1994

ABSTRACT

New Directions for Employee Communications: A Study of Corporate Public Relations Executives

Donald K. Wright
Professor of Communication
1000 University Commons
University of South Alabama
Mobile, AL 36688

(205) 380-2800
Note: Area Code becomes 334
on January 15, 1995

This paper surveys the thoughts and opinions leading public relations and corporate communication executives have about employee communications. The study suggests the existence of a third major organizational role for public relations -- the communication executive. Individuals who function in this role report directly to the organization's chief operating officer or chief executive officer and are members of their company's "dominant coalition." In order to make certain data were received directly from communication executives -- and not from their subordinates -- data were gathered in three distinct ways -- via a survey, a series of follow-up interviews and through focus-like group meetings.

Results indicate these executives, and the corporate CEO's they report to believe internal and employee communications are important. They also show that communications methods used to motivate employees five years ago are not effective today and the public relations function has not done much to discover, much less implement, any new ways to communicate with employees.

Findings suggest the corporate public relations function continues to be dominated with technical journalistic-like skills instead of concentrating on developing relationships with employees. The paper recommends public relations executives recognize their ability and responsibility to function as agents of change in the corporate workplace making certain their organizations communicate honestly and regularly with employees on topics the rank-and-file workers consider important. Results suggest companies would be more effective if employees were treated like customers. The study encourages communication executives to help top-level corporate management change from an autocratic style of management to a coaching and empowering style of management by cultivating dialogue.

New Directions for Employee Communications: A Study of Corporate Public Relations Executives

Public relations people have claimed to have been interested in the role of employee communications for decades. This interest, however, is limited when compared to the attention public relations devotes to external communications.

Cutlip, Center and Broom (1985) claim, "no organizational relationships are as important as those with employees..." Seitel (1992) says, "the first step in promoting positive external public relations is achieving good internal public relations." Levinson (1966) points out employee attitudes often reflect accurate conceptions of any organization's image of itself. Thirty years ago, Dover (1964) said there had been three eras of employee communications: the era of entertaining employees in the 1940s, the era of informing employees in the 1950s and the era of persuasion in the 1960s.

In spite of this interest, the majority of public relations practice and research for much of this century has concentrated on external communication, especially that related to shareholders and to the general public. Even though Pincus, Rayfield and Cozzens (1991) and Pincus and DeBonis (1994) point out the major public relations textbooks have chapters, or at least portions of chapters, covering employee communications, the major emphasis of American public relations -- teaching, practice and research -- has involved external communications. Although Pincus and some others suggest this changed a decade or two ago they forget two major factors.

First, most university-based public relations education remains housed in journalism and mass communication departments/schools/colleges where neither Accrediting Council on Education in Journalism and Mass Communication (ACEJMC) accreditation nor Public Relations Society of

America (PRSA) certification recommends, much less requires, a seperate course in employee (or internal) communications. Most of these programs still teach employee communications, not as a separate series of courses, but as a module within another course -- and usually simply by means of one or two hours worth of lectures in the introductory or "principles" course. The most effective teaching and research involving employee communications in the U.S. today probably takes place in departments of speech or rhetoric (many of which now are known by the title, "speech-communication") under the label of "organizational communication."

Second, employee communications functions in public relations departments usually are carried out by junior staff employees who perform mainly basic technician-related tasks such as writing and editing the company newsletter.

Are Relations With Employees Nearing a Breaking Point?

The 1990s are not the best of times for the American worker. Over the past four years, employees at many large corporations have faced layoffs, restructuring, increased workloads and responsibilities while also facing huge clouds of uncretainty. At the same time many corporate responses to a tough and competitive marketplace have pushed relations with employees to the breaking point (Yankelovich, 1994).

On one hand, companies imply that maximizing shareholder value is the most important priority, despite the reality this might call for additional downsizing and restructuring. At the same time, corporations want employees to be "more dedicated than ever, working smarter and harder to help the corporation survive and prosper" (*PR News*, 1994).

Why Have Employee Communications and Public Relations Been Detached?

Most public relations authors ignore the reality that employee communications has not always been given serious attention in the public relations process. D'Aprix (1984) acknowledges this and says, "one of the great ironies in the practice of public relations is our tendency to shortchange the employee audience in our organizations." A worldwide leader in employee communication and a noted consultant, D'Aprix claims many organizations pay careful attention to public constituencies, but ignore employee audiences on the assumption the organization always can count on employee loyalty and commitment.

Black (1989) points out that internal public relations is "an extremely wide field" that "embraces almost everything -- other than pay -- which encourages employers to make their maximum contribution to productivity and the prosperity of the company." He also notes the role of the public relations function in employee communications is not acutely defined and overlaps with other functions such as personnel, human resources, labor relations, etc.

The Communication Employees Want

The Opinion Research Corporation has been measuring employee opinions of communication in more than 200 organizations for four decades. In all of these studies, employees indicate they receive most of their useful information about their organizations from the "grapevine," but would prefer to acquire it from their immediate supervisors or from group meetings with top management (Morgan & Schiemann, 1983). Impersonal written information sources, such as company publications, are the least preferred method of receiving internal communications messages (Ibid.). Other research studies report similar results (Foehrenbach &

Roseberg, 1984, and Goldhaber, et. al, 1978)

D'Aprix (1984) says the greatest communication needs employees have are answers to questions such as these:

- How is the organization doing and where is it going?
- What is our charter and how does it match up to other functions?
- What am I expected to do? How am I doing?
- Am I performing appropriately?
- What do I need to know to do my job better?
- Does anyone in this organization care about me?
- How can I help?

Yankelovich (1994) claims the 1980s paradigm of maximizing shareholder value is in direct conflict with the emerging 1990s paradigm of empowering employees to unleash their creative skills and enthusiasm to power coroprations to success. He says this conflict has produced five patterns of employee response.

- They no longer believe in job or employer permance;
- They believe employers are no longer loyal to employees;
- They have lost confidence that acquiring new skills will be recognized and rewarded;
- They believe that corporate quality initiatives are really shorthand for downsizing effords; and,
- They no longer look to their work as a prime source of satisfaction.

Employee Communications Media Programs

One of the major contributions the public relations function has provided employee communications involves a variety of media programs. In some small organizations these might be as simple as a quarterly, mimeographed newsletters but in large corporations these can involve everything from weekly, or bi-weekly, company newspapers to a series of television programs designed to bring top management closer to rank-and-file workers.

Jackson (1994) and D'Aprix (1984) both have criticized public relations practitioners for being more concerned with media communication programs than with developing a strategic internal communications strategy based upon a research base involving the behavioral sciences. While the public relations function has done a fairly adequate job designing and implementing programs and publications for external audiences, the record is not as respectable in terms of internal constituencies. The public relations function appears to have spent time attending to relationships with external publics at the expense of internal audiences.

Organizational Role Concerns and Employee Communications

As mentioned earlier, many internal communications functions in public relations departments are managed by junior staff employees performing mainly basic technician-related tasks. Ironically, public relations scholarship rarely has concerned itself with the function's location in organizational structures. Some studies have focused attention on either paradigms describing what activities public relations practitioners actually perform, or models that attempt to describe the typical ways in which public relations is practiced.

Organizational role scholarship has attempted to clarify everyday activities of public relations practitioners. These studies grew out of the Broom and Smith seminal works on practitioner roles. Six separate practitioner roles have been identified in these studies --

communication technicians, expert prescribers, communication facilitators, problem-solving process facilitators, media relations specialists and communications liaisons. (Broom & Dozier, 1986) Additional research (Ferguson 1979) has fragmented role understanding to include a variety of different activities such as researchers, good-will ambassadors, meeting organizers and so forth. Generally, public relations scholars agree with the existence of two major practitioner roles -- communication technicians and communication managers.

Creedon (1991) pointed out that women tend to be technicians while men tend to be managers. She joins L. Grunig (1992a) in suggesting if men comprise most of the managerial positions they make most of the decisions and are more involved in an organization's "dominant coalition."

The attempts of Grunig and Grunig (J. Grunig & L. Grunig, 1992) to delineate how public relations is practiced add potential to interpretations of occupational role concerns. They identify four "models" of public relations practice that cover a more spacious theoretical spectrum than the concept of organizational roles and are concerned less with tasks and activities practitioners perform and more with the philosophy of communication behavior including the organizational purpose and direction behind it. These Grunig models suggest public relations can be practiced in one of four ways; two methods involving one-way communication; and two methods involving two-way communication.

The models involving two-way public relations are ***two-way asymmetrical communication*** and ***two-way symmetrical communication.*** The asymmetrical approach operates on the assumption that people can be manipulated and persuaded. Mutual understanding is the main objective of the two-way symmetrical model. J. Grunig (1992) presents a strong, normative argument in suggesting that employee public relations programs can be more effective if structured through a symmetrical internal communication system.

The Role of the Communication Executive

The study at hand suggests the existence of a third major organizational role for public relations -- the *communication executive*. Individuals who function in this role hold titles such as *senior vice president* of communications, public relations, public affairs, etc., and report directly to the organization's chief operating officer or chief executive officer. Communication executives are vigorous members of their organization's "dominant coalition" and function within the "inner circle" of organizational decision making. They spend most, if not all, of their time performing managerial and executive tasks, and function rarely, if at all, as communication technicians. Communication executives function at the highest management level of the organization and have organizational power equal to executives from other corporate functions such as law, finance, manufacturing, engineering, marketing, human resources and so forth.

To be reliable and valid this proposition requires authentication via the same rigorous, quantitative research used in aforementioned organizational role studies. Operationalization of such a study would be extremely complex given the small number of potential communication executives. While there are more than 150,000 people practicing public relations in the U.S. today, there probably are no more than 250 or 300 people who truly function as communication executives.

Although not addressed in specific terms, the concept of the *communication executive* has been supported in previous research. Broom (1986) as well as Grunig and Grunig (1986) discuss the importance of having the public relations function active in organizational decision making. Dozier (1992) points out this involvement must include participation in the decision-making process and not just setting in motion decisions made by others. L. Grunig (1992b) argues that public relations people should be part of the dominant coalition and claims excluding them from this task is counterproductive for public relations, the organizations they represent and society as a whole. Broom and Dozier (1985) say involving practitioners in the dominant coalition is "perhaps more important to the profession of public relations than any measure of professional growth." J. Grunig and Hunt (1984) claim the practice of public relations can not be justified unless practitioners are highly involved in organizational decision making.

There is only one way the public relations department of an organization truly can be part of the dominant coalition and this requires the function having a *communication executive*, a senior-level corporate communications officer who plays an active role at the decision-making table and reports directly to the organization's most senior management.

If one agrees with the thesis -- shared by Broom and Dozier (1985) and J. Grunig and Hunt (1984) -- indicating that dominant coalition inclusion for public relations people is "perhaps more important to the profession of public relations than any other measure of professional growth," this assumption about existence of the communication executive role takes on even greater importance and significance and opens the door to the possibility of a wide range of additional research studies. Acceptance of the existence of a communication executive role implies the belief that managers "manage" the function but executives are the ones involved in making decisions.

Our first experiment with role research involved a much larger national sample than previous studies and yielded more than 1,000 usable responses (Wright, et. al., 1991). This permitted larger cell sizes and the ability to deal statistically with the reality that most public relations people actually function in a variety of roles. Although many other authors acknowledge some "technicians" spend time working as "managers" and most "managers" perform some "technician" tasks, sample sizes of most of these studies have not been large enough to explore the reality that different types of "managers" and "technicians" exist.

Another major limitation with many previous role research studies is that samples have been limited to employees of small organizations and/or to practitioners who belong to organizations such as the Public Relations Society of America (PRSA) and the International Association of Business Communicators (IABC). The majority of senior vice presidential-level communications executives work for major corporations and an unusually large percentage of them are not members of either PRSA or IABC.

Although "communication managers," as defined by Broom, Dozier and others, theoretically are involved in dominant coalition-level organizational decision making, one could question the validity of this claim unless these "managers" report directly to senior executive officers of their organizations. As we have pointed out previously (Wright, 1994) communication "executives" are vigorous members of their organization's "dominant coalition" and function within the "inner circle" of organizational decision making.

Implications to Internal Communications

Implications of the role of the communication executive to the effectiveness of an organizations employee communications function are overwhelming. If an organization has a senior vice president of communications who reports directly to the organizations chief executive officer (CEO) or chief operations officer (COO), this public relations person can play an extremely significant impact in directing the organization's internal and employee communications. This communication executive also could do much to clarify overlapping of the internal communications function with human resources, personnel and other departments.

Any commitment from the senior vice president of public relations to the employee communications function could do much to enhance internal communications in any organization.

Observing Communication Executives

While communication technicians and communication managers have been examined extensively in prior research few, if any, studies have focused solely on communication executives for a number of reasons. First, although there are more than 150,000 technicians and managers in the nation there are only about 250 to 300 communication executives. Second, these executives are extremely busy individuals who are paid very large salaries and are not noted for filling out mail questionnaires or otherwise participating in academic research. And, third, most, if not all, questionnaires addressed to communication executives are filled out by their subordinates if completed at all.

Method

The study reported on in this paper attempts to provide an assessment of thoughts and opinions leading communication executives hold about employee communications. In order to make certain data were received directly from communication executives -- and not from their subordinates -- information was gathered in three distinct ways -- via a survey, a series of follow-up interviews and through focus groups. With the possible exception of some elements of the IABC "excellence project" (J. Grunig, 1994) this study represents the most comprehensive survey of senior-level public relations executives in the world.

The research began with a sample population of 218 members of the Arthur W. Page Society, an organization of senior-level public relations executives. Most members of this organization appeared to meet the aforementioned, operational definitions of *communication executives*, especially since most members of this society are the senior corporate communications officers. The original intention was to send a mail questionnaire to this senior group of practitioners. However, a telephone poll of a small test sample of this population confirmed most would not participate in the study and many who would take part admitted they probably would ask those who reported to them to complete the measuring instrument.

This telephone poll pre-test also sought what, if any, method could be used to discover thoughts and opinions of these communication executives. Mail questionnaires were ruled out for reasons already stated, telephone interviews were eliminated as a possibility when the sample test poll determined one could not expect much participation via that method while budget, and other, restrictions voided methods such as personal interviews.

Communication executives pre-tested said they would be most likely to participate personally in a poll that asked them to return a questionnaire via telephone fascimile transmission provided (a) the questionnaire was no longer than one-page, (b) the questionnaire was sent from and returned to another senior communication executive, and (c) anonymity was promised to all respondents. There was some consensus that follow-up interviews after completion of the fax poll could be successful, provided they were conducted by somebody known to most of those being interviewed.

With this in mind a one-page questionnaire was designed and mailed to the 218 senior practitioners with a cover letter from the academic researcher and a senior communication executive who agreed to assist with this study. The cover letters and envelopes the questionnaires were mailed in contained the name and logo of this senior communication executive's company - a major Chicago-based bank. The questionnaire was designed so it doubled as the fascimile transmission sheet. All the subjects had to do was check the appropriate box next to eight questions and return the page, via fax, to the Chicago telephone number.

Despite a variety of methodological restrictions -- including the reality that you can't ask many questions in a one-page questionnaire -- this method was selected for the study's initial data gathering procedure. Since the study's total universe was small and researchers recognized the quantitative data could not be put through appropriate statistical procedures, a qualitiative data gathering stage also was implemented. This consited of a series of follow-up "conversational interviews" and three, large focus-like groups -- all involving senior communication executives -- that were conducted following tabulation of the survey's results.

While the combination of quantitative and qualitative data gathering phases permitted the probing of issues in considerable depth, an admitted weakness of this study's methodology is the inability to rank order and/or statistically test the significance of this study's findings. The study's advantage over so many other pieces of reserch is that respondents are senior-level communications officers with major corporations.

Carter (1958) suggests the conversational interview permits greater depth of inquiry and response than does an interview in which the same questions always are asked in the same way for each respondent. The interviewer's function in this type of research is to encourage respondents to talk about given topics with a minimum or direct guidance. As Selltiz (1959) says, "Perhaps the most typical remarks made by the interviewer in a nondirective interview are: 'You feel that' or 'Tell me more' or 'Why?' or 'Isn't that interesting?' or simply, 'Uh huh.'" This approach is not recommended in studies using many hired interviewers.

After analyzing survey results and conducting the conversational interviews, focus-like groups were conducted in connection with the Arthur W. Page Society's 1994 Spring Seminar.

A total of 148 senior-level communications executives participated in the various data gathering stages of this study. White males dominated the study. Although space limitations prevented including race and gender questions on the fascimile questionnaire, only 16 of the participants in the focus group and conversational interview statges -- about 20% -- were women and all of this study's subjects were white. Completed questionnaires were received from 68 respondents. Results of this portion of the study are reported in Table 1. These findings were used to structure questions for additional data gathering stages. Conversational interviews were conducted with 37 communication executives and 41 participated in the large, focus-like groups. All interview and group participants were members of the study's original total population.

Results

Results suggest that corporate public relations executives interviewed in this study believe internal and employee communications are significantly important today. At the same time, however, results also suggest strongly that the communications methods used to motivate employees five years ago are not effective today.

The study also discovered communications executives believe:

- CEO's of major corporations consider internal and employee communications significantly important.
- Most employees consider communications from top management to hold about the same level of credibility it had one year ago.
- Most corporate employees think top management cares slightly more about profits than it cares about them.
- Many employees are receiving contradictory signals and mixed messages from American corporations.
- Today's corporate employees demand more and expect more.
- The American worker is going through a significant change in values reflecting a greater importance on quality of life than on financial rewards.
- The employee function needs to concern itself more with communicating with this changing national workforce that's immersed in a transition that involves factors such as the birth of many small companies, a significant rise in the number of people working at home and an increase in the number of part-time workers.
- The business logic of the 1980s has changed from the logic of the 1990s. Many companies talk the logic of the 1990s without abandoning the logic of the 1980s and employees are becoming distrstful and fearful about the future.
- Although "downsizing" and outsourcing are not the significant issues they were a year or two ago, they will continue to be important in the future.
- American business can not rebuild employee loyalty through effective communication alone. The communication must be supported by action.
- Management of discretionary effort is becoming an extremely important concept for employee communications.
- Public relations executives need to help top corporate management embark on a change from an autocratic stype of management to a coaching and empowering style of management by cultivating the art of dialogue.

- All internal and employee communication should involve straight-talk and truth-telling.

- Employee communication must be two-way. It will not work unless both sides listen to each other.

- Corporations need to be as thoughtful about employee jobs as they are concerned about dividends.

- American business would be wise to start treating employees differently. This includes "treading them like customers" and "treating them like responsible adults instead of treating them like irresponsible children."

- The public relations must become more involved in personal relationships.

- Vision and values must be incorporated into employee communications.

- Research must be conducted to determine if employees actually are receiving the most important internal communications messages targeted to employees each week.

- The corporate public relations function must assert itself and become more responsible for all relationships acted out in the employee setting.

- The public relations function must work closer with supervisors throughout the organization and get them more involved in communicating with employees.

- Companies must stimulate more employee involvement because this is thing that motivates employees to become more loyal to an organization.

Discussion

It's not surprising that senior-level corporate public relations executives and the CEOs they report to consider internal and employee communications significantly important. What's astonishing is even though these public relations experts are convinced the communications methods used to motivate employees five years ago are not effective today, most of their companies continue to implement internal communications programs based upon technical processes such as producing publications and video programs instead of concentrating on developing relationships with employees, recognizing them and respecting them. This phenomenon continues to happen even though these publications continually rank as the least important communication vehicles in the opinions of employees.

The American corporate public relations function has spent more time disseminating messages to employees than it has devoted to building relationships with these people. The key to success in employee relations in the future will involve building relationships much more than it will involve disseminating information.

Some of this problem might have been created with the reality that much of the public relations function grew out of journalism more than it evolved from other academic and professional disciplines. Some journalists-turned-public relations people actually believe all one needs to do is get the fancy, slick newsletter into the employees' hands and everything will be fine.

Although most employees consider communication from top management to hold about the same level of credibility it had one year ago, many of these same employees continue to get contradictory signals and mixed messages. The bulk of these mixed messages revolve around two contrasting perspectives. The first of these is, "We don't need you -- you're expendable." However, this message often is followed by, "We need you -- you're important to us." And, as Yankelovich (1994) points out these mixed messages don't do much to strengthen the bonds between top-level corporate management and rank-and-file employees.

The reality here is that American workers are going through significant changes in values reflecting a greater importance on quality of life than on financial rewards. Salaries, for the most part, are not as important as benefits and quality of life. Employees are more concerned with having a safe, smoke-free working environment than with some of the perks their predecessors considered important. The psychology of affluence no longer dominates the American public as it did a decade or two ago. With changes in traditional family values and lifestyles, employees have taken on a new set of value-driven desires such as in-house child care, flex-time, having a corporate ombudsman and so forth. And, as these rules of the workplace have changed the corporate employees demand more and expect more.

At a time like this many might think corporate employees would not be interested whether or not top management cares more about profits than it cares about them. However, in this era of "downsizing" and outsourcing, the concerns of employees of the 1990s are not so much about salary as they are about job security.

Czarnecki (1994) believes the profit driven excesses of the 1950s, 1960s and 1970s created the problems American business now face in the 1990s. Corporate management satisfied the priorities of employees in the 1970s by balancing these concerns with those of customers, stockholders, communities and other significant publics. American workers received many benefits -- financial and otherwise -- during these times when foreign competition was minimal. The 1980s brought a period of brutal, global competition where corporate performance was measured mainly on the price of a company's stock. Achieving improved performance in this decade meant cutting the fat to the bone including shifting a number of manufacturing jobs from the U.S. overseas to highly-motivated foreign workers. During this decade American business moved more in the direction of a single-minded focus on keeping shareholders happy.

In order to maintain that shareholder focus in the 1990s -- with globalized workforces and other significant changes -- corporations turned to layoffs, eliminating worker benefits and other practices that caused friction with employees. Another developing trend in this current decade is the attempt to strengthen marketing by focusing on the customer. In order to accomplish this, organizations must ensure their employees are highly motivated which leads to the current message that, "You are indispensable and we need you."

One major difficulty for the corporate public relations function is that many companies are talking the logic of the 1990s without abandoning the logic of the 1980s. In light of this, their employees are becoming distrustful and fearful of the future.

The national workforce is changing too. It's immersed in a transition that involves factors such as the birth of many small companies, a growing number of people going into business for themselves, a significant rise in the number of people working at home and an increase in part-time workers and in a contingent labor force.

The logic of the 1990s brings a renewed importance to the concept of discretionary effort for employee communications. This theory concerns those things individuals expend above and beyond what's needed to do the basic job. It's the idea of going out of one's way to do those things you're not expected to do. The logic of the 1990s recognizes discretionary effort because many of today's customers give their business to companies that care about the customer and not just those who simply provide a product or a service.

Public relations executives need to stop worrying about process communication as they work with top corporate management on programs designed to change from an autocratic style of management to a coaching and empowering style of management. Some of this can be accomplished by stimulating more employee involvement. The idea of working closer with supervisors throughout the organization and getting them more involved in communicating with employees also can be effective here.

The public relations function also needs to assert itself and reclaim the responsibities for all all relationships acted out in the employee setting. In many organizations, responsibility for employee communications is shared with other departments -- human resources, personnel, quality, etc. Burson (1993) has suggested the public relations function might lack the power and influence currently held by other corporate management activities. If public relations fails to reclaim the responsibility for all internal and external communications its function might be relegated to a publicity operation supporting, and maybe even reporting to, marketing.

Corporate America also needs to start planning for the communications problems it will have if and when the layoffs ever end and "upsizing" begins. The corporate employees of tomorrow will not be loyal and dedicated to the workplace. And, at the same time, they will demand much more in terms of internal and employee communications than their predecessors ever did.

What Can Corporate Public Relations Executives Do?

In light of all of these concerns what can public relations executives do to improve their internal and employee communications? They need to recognize their ability and responsibility to function as agents of change in the corporate workplace.

To begin with they should make certain their organizations communicate honestly and regularly with employees on topics these workers consider important. Employees need to be treated like customers. They need to be treated like responsible adults not irresponsible children. And these communication executives need to spend as much time encouraging top-level management to develop relationships with employees as they do having their public relations departments produce information and disseminating it to employees.

The communication function also can help top-level management accelerate on the change from the autocratic style of management to a coaching and empowering style of management by cultivating dialogue. This could be accomplished by using straight talk and always telling the truth. Although employee morale and job satisfaction are extremely low today, communication executives should realize that being honest and candid with employees will develop credibility over time -- not overnight, but over time.

Public relations executives could lead the way to the implementation of strategically planned programs of action that could help re-build the bonds of trust between management and employees. This could start with creative programs to get supervisors more involved with effective two-way communication in the employee communications process. It also could lead to the implementation of some other significant elements such as encouraging management to give as much attention to employees as it gives to stockholders and customers, as well as having companies become as concerned about job secutiry for employees as they are about dividends. Management also should open up genuine dialogue with employees ensuring both sides listen, as well as talk, to each other.

It also might be helpful for public relations executives to move the focus of communication away from job security and onto employee security or workplace security. Internal communications programs need to focus on the reality of the global marketplace that insists some Americans will be moved into different jobs that will not necessarily be better jobs. Communication also needs to be designed so corporate reputations will be based on values rather than on image.

Corporate public relations executives also need to become more in tune with rank-and-file employees. These executives often read the *New York Times* and the *Wall Street Journal.* The employees probably get most of their news from television. If they read a newspaper it's probably a local one, and if any even come close to reading a newspaper's financial page, it's probably in the *Money* section of *USA Today.*

These executives, and their peers in top-management, also need to come to grips with the problems their employees have with executive compensation today. They need to realize the informality of dress in many working locations and should be encouraged to leave the suits and ties, dresses and high heel shoes, home when they make visits to work locations where employees will be dressed casually.

Public relations executives interested in communicating more effectively with employees also need to make better use of information technology. Computers, interactive video and many other technical attributes can be used to gather new ideas from employees as well as to inform them about important internal messages.

These public relations executives also must be prepared to design and conduct research to determine if employees actually are receiving the most important internal communications messages. A number of large companies have started once-a-week telephone surveys in an attempt to measure if their employees have received the most important employee targeted messages of the week.

Summary

This study discovered a number of significant things including the reality that patience, determination and tenacity are necessary if one hopes to survey senior-level public relations executives.

Results indicate these executives, and the corporate CEO's they report to believe internal and employee communications are important. They also show that communications methods used to motivate employees five years ago are not effective today and the public relations function has not done much to discover, much less implement, any new ways to communicate with employees.

Findings suggest the corporate public relations function continues to be dominated with technical journalistic-like skills components such as producing slick employee newsletters instead of concentrating on developing relationships with employees. Based on this study's results, this paper recommends public relations executives recognize their ability and responsibility to function as agents of change in the corporate workplace making certain their organizations communicate honestly and regularly with employees on topics the rank-and-file workers consider important.

The paper recommends organizations treat their employees the same way they treat customers and encourages communication executives to help top-level corporate management to change from an autocratic style of management to a coaching and empowering style of management by cultivating dialogue. The study also encourages public relations executives to make more effective use of information technology when informing employees about important internal messages and recommends research be conducted, on a regular basis, to determine if employees actually are receiving the most important internal communications messages. Findings suggest corporations need to be as thoughtful about employee jobs as they are concerned about stockholder dividends.

Results indicate the public relations function also should work closely with supervisors in all aspects of organizational management and guide them in ways that will enhance their abilities as communication facilitators. For decades American employees have said they want to receive important internal messages from their supervisors before they hear about it in the company newspaper or through the "grapevine."

Table 1

Results of the telephone fascimile survey (N=68). Subjects were asked to indicate their level of agreement with the following statements. They answered by checking "the most appropriate blank" on a semantic-differential type of scale with possible responses ranging from Agree to Disagree.

1. My CEO thinks internal/employee communications are important today.

Agree 72% 16% 4% 8% 0% *Disagree* *Mean Score* 4.6

2. Most employees in my company think management still cares about them.

Agree 2% 16% 51% 21% 10% *Disagree* *Mean Score* 2.8

3. Most of our employees think top management cares more about profits than about them.

Agree 20% 33% 31% 16% 0% *Disagree* *Mean Score* 3.6

4. Most employees consider our top management communications to be more credible now than they were one year ago.

Agree 22% 26% 28% 12% 12% *Disagree* *Mean Score* 3.3

5. American business can rebuild employee loyalty through effective communication.

Agree 31% 41% 12% 10% 6% *Disagree* *Mean Score* 3.8

6. The same communications methods used to motivate employees five years ago are effective today.

Agree 0% 4% 8% 44% 44% *Disagree* *Mean Score* 1.7

7. Our company currently is experiencing "downsizing"/outsourcing.

Agree 55% 12% 12% 6% 16% *Disagree* *Mean Score* 3.8

8. This ("downsizing"/outsourcing trend) will continue to be an issue for our company in the future.

Agree 57% 26% 8% 6% 4% *Disagree* *Mean Score* 4.3

References

Black, S. (1989). *Introduction to public relations.* London: Modino Press.

Broom, G.M. (1986). Public relations roles and systems theory: Functional and historical causal methods. Paper presented to the public relations interest group, International Communication Association, Chicago, Illinois (May).

Broom, G.M. & Dozier, D.M. (1985). "Determinants and consequences of public relations roles. Paper presented to the public relations division, Association for Education in Journalism and Mass Communication, Memphis, Tennessee (August).

Broom, G.M. & Dozier, D.M. (1986). Advancement for public relations role models. *Public Relations Review*, 7,37-56.

Burson, H. (1993). Unpublished remarks to a meeting of the Chicago chapter of the Public Relations Society of America. Chicago. (January).

Carter, R.E. (1958). "Field methods in communication research," in Nafziger, R.O. & White, D.M. (Eds.) *Introduction to mass communications research.* Baton Rouge: Louisiana State University Press.

Creedon, P. J. (1991). "Public relations and 'women's work: Toward a feminist analysis of public relations roles. In Grunig, J.E. & Grunig, L.A. (Eds.) *Public relations research annual* (3, 67-84).

Cutlip, S.M.; Center, A.H. & Broom, G.M. (1985). *Effective public relations* (6th. ed.). Englewood Cliffs, N.J.: Prentice-Hall.

Czarnecki, G. (1994). "What replaces loyalty? Examining the widening gap between management and workforce." Unpublished remarks to the spring seminar, Arthur W. Page Society, New York, NY, (March).

D'Aprix, R. (1984). Employee Communication. In Cantor, B. (Ed.) *Experts in action: Inside public relations,* (pp. 102-110) New York: Longman.

Dover, C.J. (1964). Three eras of management communication. In Redding, W.C. & Sanborn, G.A. (Eds.) *Business and industrial communication: A source book.* (pp. 61-65) New York: Harper & Row.

Dozier, D.M. & Grunig, L.A. (1992). The organization of the public relations function. In Grunig, J.E. (Ed.). *Excellence in public relations and communications management.* (pp. 395-417) Hillsdale, N.J.: Earlbaum.

Ferguson, M.A. (1979). Role norms, implicit relationship attributions and organizational communication: A study of public relations practitioners. Unpublished master's thesis, University of Wisconsin, Madison.

Foehrenbach, J. & Roseberg, K. (1984) How are we doing? *Journal of communication management.* 12, 3-9.

Goldhaber, G.; Yates, M.; Porter, D.T. & Lesniak, R. (1978). Organizational communication: 1978. *Human communication research.* 1, 76-96.

Grunig, J.E. (1992), Symmetrical systems of internal communication. In Grunig, J.E. (Ed.). *Excellence in public relations and communications management.* (pp. 531-575) Hillsdale, N.J.: Earlbaum.

Grunig, J.E. & Grunig, L.A. (1986). Applications of open system theory to public relations theory. Paper presented to the Conference on Applications of Communication Theory to Public Relations, Illinois State University, Normal, Illinois.

Grunig, J.E. & Grunig, L.A. (1992). Models of public relations and communication. In Grunig, J.E. (Ed.). *Excellence in public relations and communications management.* (pp. 285-325) Hillsdale, N.J.: Earlbaum.

Grunig, J.E. & Hunt, T. (1984). *Managing public relations.* New York: Holt, Rinehart & Winston.

Grunig, L.A. (1992a), How public relations/communication departments should adapt to the structure and environment of an organization...and what they actually do. In Grunig, J.E. (Ed.). *Excellence in public relations and communications management.* (pp. 467-479) Hillsdale, N.J.: Earlbaum.

Grunig, L.A. (1992b). Power in the public relations department. In Grunig, J.E. (Ed.). *Excellence in public relations and communications management.* (pp. 483-501) Hillsdale, N.J.: Earlbaum.

Levinson, H. (1966). How to undermine an organization. *Public relations journal,* 22 (October), 82-84.

Jackson, P. (1994). Did we lose -- or give away -- our strategic edge? Unpublished remarks to the spring seminar, Arthur W. Page Society, New York, NY, (March).

Morgan, B.S., & Schiemann, W.A. (1983). Why internal communication is failing. *Public relations journal,* 39 (March), 15-17.

Pincus, J.D. & DeBonis, J.N. (1994). *Top Dog.* New York: McGraw-Hill.

Pincus, J.D.; Rayfield, R.E., & Cozzens, M.D. (1991). The chief executive officer's internal communication role: A benchmark program of research. In Grunig, J.E. & Grunig, L.A. (Eds.) *Public relations research annual* (3, 1-35).

Seitel, F.P. (1992) *The practice of public relations* (5th ed.). New York, Macmillan.

Selltiz, C., et al, (1959). *Research methods in social relations.* New York: Holt, Rinehart and Winston.

Wright, D.K.; Grunig, L.A.; Springston, J.K. & Toth, E.L. (1991). Under the glass ceiling: An analysis of gender issues in American public relations. *PRSA Foundation Monograph Series.* (1:2). New York: Public Relations Society of America.

Wright, D.K. (1994). An intrinsic audit of ethics and responsibility in communications and public relations. In Armbrech, W. & Zabel, U. (Eds.). *Normative aspekte der public relations.* (pp. 281-296). Opladen, Germany: Wesdeutscher Verlag.

Yankelovich, D. (1994). "Who are we talking to -- And do they care what we're saying?" Unpublished remarks to the spring seminar, Arthur W. Page Society, New York, NY, (March).

Corporation's role in creating, communicating 1990s relationship with employees debated. *PR news* (1994). Vol. 50, No. 12 (March 21), p. 1.

U.S. DEPARTMENT OF EDUCATION

OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT (OERI)

EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

Please return to:
ERIC/RCS
150 Smith Research Center
Bloomington, IN 47408-2698

REPRODUCTION RELEASE (Specific Document)

I. DOCUMENT IDENTIFICATION

Title: New Directions for Employee Communications: A Study of Corporate Public Relations Executives
Author(s): DONALD K. WRIGHT
Corporate Source (if appropriate):
Publication Date:

II. REPRODUCTION RELEASE

In order to disseminate as widely as possible timely and significant materials of interest to the educational community, documents announced in the monthly abstract journal of the ERIC system, Resources in Education (RIE), are usually made available to users in microfiche and paper copy (or microfiche only) and sold through the ERIC Document Reproduction Service (EDRS). Credit is given to the source of each document, and, if reproduction release is granted, one of the following notices is affixed to the document.

If permission is granted to reproduce the identified document, please CHECK ONE of the options and sign the release below.

CHECK HERE ➜ ☑ Microfiche (4" x 6" film) and paper copy (8½" x 11") reproduction

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY
(PERSONAL NAME OR ORGANIZATION, AS APPROPRIATE)
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

OR ☑ Microfiche (4" x 6" film) reproduction only

"PERMISSION TO REPRODUCE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY
(PERSONAL NAME OR ORGANIZATION, AS APPROPRIATE)
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

Documents will be processed as indicated provided reproduction quality permits. If permission to reproduce is granted, but neither box is checked, documents will be processed in both microfiche and paper copy.

"I hereby grant to the Educational Resources Information Center (ERIC) nonexclusive permission to reproduce this document as indicated above. Reproduction from the ERIC microfiche by persons other than ERIC employees and its system contractors requires permission from the copyright holder. Exception is made for non-profit reproduction of microfiche by libraries and other service agencies to satisfy information needs of educators in response to discrete inquiries."

SIGN HERE ➜
Signature: Donald K Wright
Printed Name: DONALD K. WRIGHT
Organization: UNIV. OF SOUTH ALABAMA
Dept. of Communication
Position: PROFESSOR
Where to send complimentary microfiche-->
Address: 1000 University Commons
Tel. No.: 205-380-2800
MOBILE, ALABAMA Zip Code: 36688
Date: AUG 8/94

III. DOCUMENT AVAILABILITY INFORMATION (Non-ERIC Source)

If permission to reproduce is not granted to ERIC, or, if you wish ERIC to cite the availability of the document from another source, please provide the following information regarding the availability of the document. (ERIC will not announce a document unless it is publicly available, and a dependable source can be specified. Contributors should also be aware that ERIC selection criteria are significantly more stringent for documents which cannot be made available through EDRS.)

Publisher/Distributor:
Address:
Price Per Copy:
Quantity Price:

IV. REFERRAL TO COPYRIGHT/REPRODUCTION RIGHTS HOLDER

If the right to grant reproduction release is held by someone other than the addressee, please provide the appropriate name and address:

BEST COPY AVAILABLE

GUIDELINES FOR COMPLETING THE REQUEST FOR REPRODUCTION RELEASE FORM

Under the present copyright law a reproduction release must be obtained for each document before it can be processed for the ERIC system. There are three options:

(Level I) Microfiche (4" x 6" film) and paper copy (8-1/2" x 11") reproduction

This option, which allows ERIC to make the document available on microfiche or in paper copy is most frequently chosen by authors. (77% of ERIC documents are entered as Level I.) This arrangement does not preclude later publication of the document or sale of a printed version by author or institution. However, if you have a limited supply of printed copies or if the document should go out of print, a copy of your document from which other copies can be made will always be available in ERIC.

(Level II) Microfiche (4" x 6" film) reproduction only

This option allows ERIC to make the document available throughout the system on microfiche only. It is most useful if you have a large supply of printed copies but would like to refer requestors to ERIC once your supply is exhausted. This arrangement does not preclude later publication of the document, or sale of the printed document by the author or institution. The ERIC copy of the paper serves an archival function. (13% of ERIC documents are entered in this way.)

(Level III) Document may not be reproduced by ERIC. (Complete Section III of the form.) The document will be cited with bibliographic information, an abstract, and availability information.

NOTE: It is recommended that materials be submitted at Level I or Level II to insure their future availability.

DOING WELL WHILE DOING GOOD: AN EXPLANATORY STUDY OF THE FUND-RAISING PRACTICE OF U.S. CHARITABLE ORGANIZATIONS

Kathleen S. Kelly
Hubert J. Bourgeois Research Professor
Department of Communication
University of Southwestern Louisiana
Box 43650 USL
Lafayette, LA 70504-3650
(318) 231-6953
FAX: (318) 332-5627
Internet: kskelly@usl.edu

Paper (*Top Three Research Award*) presented to the Public Relations Division, Association for Education in Journalism and Mass Communication Convention, Atlanta, GA, August 13, 1994.

ABSTRACT

Previous empirical research identified four models of fund raising, which explain *how* charitable organizations practice this specialization of public relations. This paper reports the results of the second stage of analysis, which explores *why* these organizations practice fund raising the way they do. To move from descriptive to explanatory, the paper utilizes national data on power-control theory, the concept of the dominant coalition and the issue of autonomy, as well as organizational and practitioner characteristics.

The study reported in this paper was funded by a 1992-93 Research Grant from the Project on Governance of Nonprofit Organizations, Center on Philanthropy, Indiana University, on behalf of the Lilly Endowment and other donors.

The purpose of this paper is to explain why charitable organizations practice fund raising the way they do. To achieve its purpose, the paper first examines the issue of autonomy and the fund-raising function. It introduces the organizational concept of the dominant coalition and relates that concept to a power-control theory of fund-raising behavior. That behavior is captured in four models that describe the different ways charitable organizations typically practice fund raising in the two primary programs of annual giving and major gifts. These models, conceptualized and empirically tested in previous research, also represent the values and presuppositions about fund raising held by members of an organization's dominant coalition.

Proceeding from this theoretical base, the paper turns to the first part of a national study of 296 fund-raising practitioners, who represent the six major types of U.S. charitable organizations. Results of the first stage of analysis are summarized, which explain *how* charitable organizations practice fund raising. The second stage of analysis, which is the focus of this paper, explores *why* these organizations practice fund raising the way they do.

Powerful individuals and groups represented in the organizations' dominant coalitions are identified. Bivariate correlations are used to examine relationships between those represented and the degree to which fund raisers report that the dominant coalition supports and influences the way fund raising is practiced. Further linkages are established by relating the degree of support and influence with the four fund-raising models. Analyses of the models with the 12 individuals and groups identified as members of the dominant coalition provide more precise, explanatory information.

The paper then examines the relationships between the four models and 11 characteristics of organizations and fund-raising practitioners, such as the amount of total private support raised and departmental position. Eleven items designed to measure propensity to forfeit organizational autonomy through the fund-raising process are correlated with the fund-raising models. Problems with measuring such a complex and multidimensional concept as autonomy are discussed.

AUTONOMY AND THE FUND-RAISING FUNCTION

Altbach and Berdahl (1981) divided the concept of organizational autonomy into two parts: autonomy of a *substantive* nature is defined as the power of an organization to determine its own goals and programs, and autonomy of a *procedural* nature is the power of an organization to determine the means by which its goals and programs will be pursued. Dressel (1980) defined autonomy as the ability of a college—one type of charitable organization—"to govern itself without outside controls" (p. 1). He stated, "Brief reflection upon this definition leads immediately to the conclusion that . . . . no institution can receive support from public or private sources and maintain complete autonomy" (p. 1). "Any discussion of autonomy," he explained, "must focus on the nature and extent of autonomy required for effective operation of the institution [and] on the institution's fulfillment of its responsibilities to society" (p. x).

Drawing from these higher education scholars and others, Kelly (1991) argued that absolute autonomy is neither possible nor desirable for charitable organizations because all public and private funding involves some loss, and charitable organizations are accountable to the constituencies with whom they are interdependent and to the larger society. According to Kelly, fund raising presents a double-edged sword for charitable organizations: Without adequate funding, there is little autonomy because there is little freedom to consider programming alternatives, but the needs and interests of donors also can limit autonomy. The critical question, she said, is the extent and nature of the limitations that can be imposed on the autonomy of an organization without eroding its effectiveness. In other words, some degree of organizational autonomy is naturally and rightfully forfeited in relationships with donors, but the explicit acknowledgement, identification and provision for donor interests and needs in the philanthropic exchange prevents profound losses. Interdependencies with donors must be managed symmetrically—through negotiation, compromise and conflict resolution—to avoid the risk of great losses of autonomy.

Organizational autonomy has rarely—if ever—been studied in relation to the fund-raising function. Yet Kelly (1991) provided a number of examples of charitable organizations forfeiting high degrees of their autonomy in order to meet the demands of individual, corporate and foundation donors. After faculty protests in 1990, for example, the California State University at San Marcos reversed an earlier decision to accept a $250,000 gift from a wealthy rancher for an endowed chair in geology. According to a news item about the reversed decision ("Cal. State," 1990), the gift carried the condition that any professor who filled the endowed chair would be required to study the rancher's own geological theories, which "are rejected by many geologists" (p. A32). As Salamon (1987) stated, "Historically, private funds have often come with strings every bit as onerous and threatening to agency independence as any government has devised" (p. 114).

THE DOMINANT COALITION AND POWER-CONTROL THEORY

The concept of the dominant coalition was first developed by Thompson (1967), who referred to it simply as the "inner circle." He and other organizational scholars concluded that no one person can control an organization in today's complex environment. As Hage (1980) stated: "The team approach, the variety of specialists, the complexity of the environment, the need for joint decision-making make the stamp of one man or woman less and less likely. This is the era of the dominant coalition" (p. 158). Following such scholars, J. Grunig (1992) advanced a power-control theory, which holds that organizations behave in the way they do because the people who have power in an organization, the dominant coalition, choose that behavior. Those with power, Grunig stressed, cannot be assumed by formal positions or titles. An extensive literature review on what constitutes excellent public relations found that these key decision makers have a significant impact on determining the philosophy guiding that function and the choice of the model practiced. According to Grunig, the choice of a model by the dominant coalition is influenced by presuppositions about public relations held by its members.

As defined by J. Grunig (1992), presuppositions "are a priori assumptions about the nature of truth, of society, of right or wrong, or simply of how things work in the world" (p. 8). Building on early drafts of Grunig's work, Kelly (1991) identified two categories of presuppositions about fund raising: asymmetrical and symmetrical. According to Kelly, asymmetrical presuppositions assume that fund raising involves manipulating donors for their own good, as well as for the financial benefit of a good cause. When members of a dominant coalition hold asymmetrical presuppositions they assume that the organization knows best and that if potential donors "just understood" they would willingly give. This know-best assumption leads them to assume further that, because of the worthiness of the mission, donors benefit from giving primarily because the organization benefits (i.e., the donor benefits from "doing good"). Fund raising is competitive and is analogous to marketing; it is effective if it generates expected amounts of revenue.

In contrast, symmetrical presuppositions assume fund raising is the means by which charitable organizations and donor publics interact in a pluralistic system to fulfill their interdependence for their benefit, as well as society's. Members of the dominant coalition who hold such presuppositions support an "idealistic" approach to raising private gifts. Donors give—not because they are persuaded—but because they have their own reasons for doing so. A decision to make a gift is based on the utilitarian value of the exchange as perceived by the donor, a sense of responsibility to serve the greater public good, and an interpretation of what constitutes the public interest (e.g., supporting pro-life or pro-choice). Fund raising concentrates, therefore, on the juncture where the self-interests of donors and organizations meet. Rather than generating revenue, its primary value to the organization is its management of environmental relationships with donors.

Based on the power-control theory, the way in which members of the dominant coalition conceptualize fund raising essentially dictates how a charitable organization practices it (i.e., the model of fund raising predominantly used).

FOUR MODELS OF FUND RAISING

Using public relations models as an analytical tool, Kelly (1991) examined the history of fund raising in the United States and concluded that, historically, there have been four models of fund raising: press agentry, public information, two-way asymmetrical, and two-way symmetrical. Kelly also found evidence in the literature that these four models continue to be used by charitable organizations today. A complete description of these models and the historical stages through which fund raising seems to have passed can be found in Kelly's 1991 book; however, as a theoretical component of this paper, an overview of the models' characteristics is presented here.

The purpose of the press agentry model is to propagandize a cause. Its practice is based on principles of manipulation and control. The nature of communication for the model is one-way from organization to donor, with truth not being an essential factor, and communication being dependent on emotions. Little research is conducted by its practitioners. The leading historical figures associated with this model are Charles Sumner Ward and Lyman Pierce, the YMCA fund raisers who developed the "whirlwind campaign method" beginning in 1902. This oldest model is the least ethical and socially responsible of the four.

Practitioners of the press agentry model include among their roles those of cheerleader, evangelist and arm twister. Favorable publicity in the media, scores of volunteers, and appeals that touch people's hearts are fundamental to their programs. Their fund-raising efforts are based on the assumption that the more people who know about their cause, the more dollars they will raise. They spend much of their time on activities such as organizing volunteers, staging special events, coordinating phonathons, and preparing publicity material. They place less emphasis on activities such as counseling senior management about fund-raising issues and participating in strategic planning for their organizations.

The purpose of the public information model of fund raising is to disseminate needs information. Whereas the press agentry model is dependent on emotions, the public information model relies on "enlightenment" (i.e., fund raising is dependent on rational, intelligent and compassionate donor publics). The nature of communication is one-way, and in contrast to the press agentry model, truth is important. The historical figures identified with this model are Bishop William Lawrence and Ivy Lee, who—together in 1916—developed an approach different from the press agentry model to raise $8.8 million for the Episcopal Church Pension Fund.

The purpose of the two-way asymmetrical model is to scientifically persuade giving, and the nature of communication is two-way, with unbalanced, or asymmetrical effects. This model is dependent on accessibility to donor publics and uses formative research on those publics to shape communications. Results are evaluated by indiscriminate dollar totals. The leading historical figure associated with this model is John Price Jones, who founded one of the first fund-raising consulting firms in 1919.

The purpose of the two-way symmetrical model of fund raising is to reach mutual understanding with donor publics. The nature of its communication is two-way, with balanced, or symmetrical, effects. Whereas fund raisers practicing one of the three asymmetrical models believe that donors benefit from making a gift primarily because the charitable organization benefits, those practicing the two-way symmetrical model identify prospective donors's needs and negotiate the philanthropic exchange so that benefits flow both ways, as well as spill over into society (i.e., the exchange is not *quid pro quo*, which differentiates it from a market exchange).

This symmetrical distinction emphasizes the model's orientation to systems theory and the environmental interdependencies that exist between donors and charitable organizations. In accord with its systems orientation, effectiveness of the two-way symmetrical model is evaluated primarily by its contribution to enhancing and protecting organizational autonomy and accountability. No leading historical figure is identified with this most recent model, although a few educators and "reflective practitioners" currently are defining how such a model should be practiced.

There is some empirical evidence that this model, which theory predicts is the most ethical and socially responsible, also is pragmatically more effective than the three older models. As reported shortly, Pearson product-moment correlations were computed for the four models and the total amount of private dollars raised in one year by the organizations represented in the national study of fund-raising practitioners. The only model that demonstrated a significant and positive relationship—although small—was the two-way symmetrical model as practiced in major gifts programs (.13, $p < .05$). Press agentry had nonsignificant and low correlations with the reported gift amounts (-.02, .05, $p > .10$). In short, this paper lends support to the thesis that charitable organizations can do well while doing good.

Concluding this overview, it is important to emphasize that models are simplifications of reality and not everything any single fund raiser does will fit any of the four models perfectly. Furthermore, these models are not practiced exclusively. That is to say, fund raisers use all four models to some extent, but practice one predominantly.

NATIONAL STUDY OF FUND-RAISING PRACTITIONERS: PART I

In 1992, a four-page questionnaire, designed to measure the four fund-raising models and independent variables that theory predicted would explain their use, was mailed to a stratified sample of members of the National Society of Fund Raising Executives (NSFRE). The strata represented the six major types of charitable organizations as defined by the American Association of Fund-Raising Counsel (AAFRC) Trust for Philanthropy (1991): (1) arts, culture and humanities, (2) education, (3) health, (4) human services, (5) public/society benefit, and (6) religion. A complete description of the study's methodology and the findings of the first stage of analysis can be found in Kelly (in press). Only information directly related to the second stage of analysis is given here.

Sample

The sample consisted of 618 of NSFRE's 12,644 paid members on the date of selection. The questionnaire was printed on six different colors of stock to track respondents by the type of charitable organization for which they worked. Of those mailed, 21 undeliverable and 296 usable questionnaires were returned, resulting in a response rate of 50%.

Measurement

To measure the models of fund raising, four items were developed for each of the four models based on their characteristics as given earlier. All 16 items were measured for how well they described the way fund raising was practiced both for annual giving and for major gifts programs. A fractionation scale, used by J. Grunig et al. (1991) to measure models of public relations, was adopted in this study to measure the fund-raising models, a set of fund-raising activities, and the degree of the dominant coalition's support of and influence on the fund-raising function.

NSFRE respondents were asked to identify *who* was represented in the dominant coalition, or the group of powerful people who control their organization. Respondents were instructed to check all of the 12 individuals and groups listed that applied and were given an "other specified" option (i.e., they were not limited in their response).

Single indicators were used to measure 11 characteristics, or demographics, of the respondents and their organizations. All but 1 of the 11 were nominal (e.g., gender) or interval (e.g., age) measurements. For the 11th item, respondents were asked to indicate to whom the fund-raising department reported, and forced choices were ordered from the most senior manager in the organization, down to a more junior level of management.

Finally, 9 of the 11 items designed to test the propensity to forfeit organizational autonomy were belief declarations measured on a seven-point Likert-like scale of agreement and disagreement. One of the two remaining autonomy measures was a single dichotomous indicator that simply asked if the respondent's organization had ever changed its goals or shifted its priorities in order to acquire a particular gift. The last autonomy measurement was a single indicator that asked respondents to select one of four choices that best described their organization's efforts to control the acquisition of charitable gifts; for example, what can and cannot be accepted or what potential costs of administrating the gift's purpose must be covered by the donor. The ordinal choices ranged from having no policy down to the organization having a comprehensive written plan.

First-Stage Results

The quantitative data collected were analyzed using SPSS. The 296 usable questionnaires provided a relatively well-balanced proportion of respondents from each of the six major types of charitable organizations. Demographics of the sample are very similar to those of the general NSFRE membership (Mongon, 1992).

Analysis of the data measuring the four models showed that they do exist in the real world (i.e., they describe the typical ways fund raising is practiced). The statistical techniques employed provided supportive evidence of their reliability, validity and accuracy. Although findings supported the models as conceptualized by Kelly (1991), they also suggested some revisions in their measurement.

A major finding was that the press agentry model is the model predominantly practiced today, although fund raisers tend to move toward the two-way models when conducting major gifts programs as compared to annual giving programs. Mean scores on the four fund-raising models differed little among the six organizational types, with those on the press agentry model greater than average. It was concluded from this first stage of the research that the predominant practice of this least ethical and socially responsible model bodes poorly for the success and even survival of America's nonprofit sector. This conclusion added a constructive component to the second-stage of analysis on variables that would help explain why organizations choose the models they practice.

Mean Scores on the Models

The earlier analysis suggested that the reliability of three models would be slightly improved if 3 of the 16 items were removed from one or both of the annual giving and major gifts scales. Those items were deleted for this second stage of analysis. Table 1 presents the mean scores on the four models as practiced in major gifts programs. Although Cronbach's alphas still are lower than that recommended for highly reliable scales (Carmines & Zeller, 1979), they are acceptable, ranging from .56 for the public information model to .74 for the two-way asymmetrical model.

[Place Table 1 About Here]

As demonstrated in Table 1, press agentry remains the model of fund raising predominantly practiced. Furthermore, it is predominantly practiced by all six types of charitable organizations. The second highest mean scores are on the public information model, followed by the two-way symmetrical and the two-way asymmetrical models. The reversed order of the two-way models, 7.67 vs. 5.85 ($t=9.01$, $p < .00$) for major gifts, is contrary to theory. Lower-than-expected scores on the two-way asymmetrical model may be due to the fact that the three remaining items measuring that model are related to conducting research. Responses indicated that fund raisers do little research beyond that on donor prospects to direct their programs; therefore, their scores on this model are the lowest of all four. Mean scores for the models as practiced in annual giving show the same order.

To confirm that there were no significant differences on the mean scores of the models among the six types of charitable organizations, one-way analysis of variance was employed. Analysis showed that no group among the six is significantly different at the .05 probability level. In other words, the mission of a charitable organization, whether it is arts or religion, makes no difference in the predominant practice of the press agentry model.

The paper now turns to the relationships of the models to variables that theory suggests will help explain *why* charitable organizations practice fund raising the way they do and, specifically, why they predominantly practice the oldest and least ethical model—press agentry.

Analysis of Power-Control Variables and the Models

As explained earlier, NSFRE members were asked to identify *who* was represented in the dominant coalition. As given in Table 2, the resulting list of dominant coalition members and the proportion of organizations in which they are represented in the power elite is both expected and surprising.

[Place Table 2 About Here]

Of the 295 respondents answering the question, 19 (6%) reported that their organization's CEO is not a member of the dominant coalition. Although such a situation could be considered rare, it is not inconceivable. For example, the CEO may be near retirement age and serving more as a figurehead than as a leader.

Trustees are represented in only 80% of their organizations. This finding supports those scholars, such as Herman and Block (1990), who challenge the prescriptive model of nonprofit management that places trustees in a superordinate position in the hierarchy of charitable organizations. Apparently only those trustees who are within the inner circle have the power to control the organizations for which they are stewards.

As 67% of the respondents reported that they are the head of the fund-raising department in their organizations, it is somewhat suspicious that 63% said the fund-raising head is a member in that organization's dominant coalition. On the other hand, fund raising has acquired organizational power in recent years. According to Herman and Block (1990), fund raising became an increasingly important function with the expansion of the number of charitable organizations during the 1960s and 1970s, and the reduction in government funding in the early

1980s. A crosstabulation of those who reported they are fund-raising heads with responses to the item on the fund-raising head being a dominant-coalition member showed that 71.7% of those reporting that—in their organizations—the head of fund raising is *not* represented in the dominant coalition are the fund-raising heads themselves (Kendall's tau b = -.06, p > .10). In other words, the high percentage of fund-raising heads in the dominant coalition is an indication of fund raisers' current power in charitable organizations and not a flaw of self-reported data.

Moving down in percentage of organizations in which they are represented, the chief financial officer (CFO) and the chief operating officer (COO) were identified as members of the dominant coalition in 52% and 35% of the organizations, respectively. This latter finding may be attributable to a high percentage of CEOs who are also the COOs of their organizations. Or it may indicate that COOs, who presumably are responsible for their organizations' programming, have little control in 65% of the approximately 12,500 charitable organizations represented in the NSFRE population.

Such a situation would help explain recent charges of low accountability among many charitable organizations. For example, in their article on health charities, Milofsky and Blades (1991) stated, "As services become less important than fund-raising [*sic*], organizational competence can suffer" (p. 389). These philanthropy scholars identified clients and donors, as well as taxpayers, as the three constituencies that have a legitimate interest in health charities and argued that charitable organizations will be accountable only to the extent to which clients and others force them to be. They advised clients and their families to form activist groups to demand fuller representation in the decision processes of these organizations.

As given in Table 2, clients, as well as employees and government, currently are not well represented in the dominant coalitions of charitable organizations (8% each). On the other hand, a somewhat surprising finding of this study is that individual and corporate major donors are represented in the dominant coalition of 16% and 10% of the organizations, respectively, although foundation donors are represented in only 5%. These findings can be viewed as both positive and negative in that, as pointed out by Milofsky and Blades (1991), donors have a legitimate interest in charitable organizations. Conversely, these same scholars stated, "There is much anecdotal evidence that program decisions have been determined by fund-raising concerns or by the ideological or religious convictions of major donors" (p. 389).

In this current study, one third (33%) of the fund raisers agreed that although donor priorities do not control, they often do not blend with those of the charitable organization. One-fourth (25%) agreed that it was not rare for donors to try to influence organizational policy, and 31% agreed that some gifts cause a significant shift in organizational priorities. Finally, 25% of the respondents reported that, indeed, their organization had changed its goals or shifted its priorities in order to acquire a particular gift.

The head of public relations is a dominant-coalition member in 30% of the organizations. As fund-raising heads are members in twice as many organizations, these findings provide evidence of encroachment, or situations in which the head of fund raising manages the public relations function (Kelly, 1993, 1994).

Only 40 (14%) of the respondents specified a diverse range of groups and individuals in the "other" option. Typical of these responses—none of which was specified more than twice—were: (1) other senior managers such as deans, exhibition heads and the director of planning; and (2) other external groups, such as major, religious denominational donors and the founder's family. Responses to this open-end question did not uncover any important groups or individuals that were overlooked in the list provided in the questionnaire.

Moving from who is represented to the impact the dominant coalition has on fund raising, respondents were asked to indicate the extent to which they believe the dominant coalition they had identified supports the fund-raising function and influences the way fund raising is practiced. Table 2 displays Kendall correlation coefficients for the degree to which the dominant coalition supports and influences fund raising and the individuals and groups represented in that powerful elite. Of the 12 member categories, only one—the head of fund raising—has a significant relationship with increased support for the fund-raising function. This relationship, although relatively small (.13, $p < .05$), is logical in that admittance to the dominant coalition would place increased importance—and, therefore, support—on the function represented. Similarly, there is a significant and positive relationship between membership of the fund-raising head and the degree to which the dominant coalition influences fund raising (.11, $p < .05$). Related to the issue of autonomy just discussed, there is a positive and significant relationship between the representation of individual major donors in the dominant coalition and the extent to which that group influences the way fund raising is practiced (.10, $p \leq .05$).

Linking these findings to the four fund-raising models, Table 3 provides Pearson correlation coefficients for the dominant coalition's overall support of and influence on fund raising with the models as practiced in both annual giving and major gifts programs. This table shows there is a significant inverse relationship between support of the dominant coalition and the two-way symmetrical model as practiced in annual giving programs (-.12, $p < .05$), whereas there are significant and positive relationships between support and the model predominantly practiced by the population in annual giving and major gifts programs, the press agentry model (.16, $p <.01$; .15, $p < .05$). In other words, these statistics provide empirical evidence that the dominant coalitions of charitable organizations support those fund-raising departments practicing press agentry (i.e., they encourage utilization of that model) and give less support to those practicing the two-way symmetrical model, thereby discouraging more ethical and socially responsible fund raising.

[Place Table 3 About Here]

In support of this interpretation, the correlation coefficients for the relationship between how much the dominant coalition influences the way fund raising is practiced and the four models show that the dominant coalition significantly influences the practice of the three asymmetrical models (press agentry, public information, and two-way asymmetrical), but has little and nonsignificant influence on the two-way symmetrical model. Clearly, those powerful elites who control charitable organizations in the NSFRE population prefer fund raising that is based on the principles of persuasion, manipulation and control of donors, rather than an approach that strives for mutual understanding with donors.

This preference, although expressed in relatively small correlations, lends credence to the discussion earlier about the explanatory power of presuppositions held by the dominant coalition on *why* charitable organizations practice fund raising the way they do. In short, the statistics in Table 3 suggest that charitable organizations predominantly practice the press agentry model of fund raising because that is the model their dominant coalition wants them to practice.

To illuminate this power-control impact, Kendall correlation coefficients were computed for the relationships between who is represented in the dominant coalition and the four fund-raising models. As shown in Table 4, trustees, as well as employees, clients and government, have no significant relationship with any of the models.

[Place Table 4 About Here]

Interestingly, the CEO has a negative relationship with all four models (except for the public information model as practiced in annual giving), and the relationship is significant for the two-way symmetrical and press agentry models used to raise major gifts and the two-way asymmetrical model used in annual giving programs.

It is recalled that 6% of the respondents reported that their organization's CEO is not a member of the dominant coalition. Those respondents obviously scored higher on all four models, but significantly higher on the three just mentioned. It may be that when a CEO lacks power (i.e., is not a member of the dominant coalition), fund raisers have a freer rein—on a day-to-day basis—to practice fund raising as they see fit, whether that model is two-way symmetrical or press agentry. As a point of interest, Kendall correlation coefficients between individuals and groups represented in the dominant coalition and the amount of private dollars raised the year before the survey showed no significant relationship between representation of the CEO and amount raised (.02, p > .10). On the other hand, 5 of the 12 member categories were significantly related to raising more money: the fund-raising head (.16, p < .00), individual major donors (.14, p < .00), the CFO (.15, p < .00), the public relations head (.10, p < .05), and the COO (.10, p < .05). These findings will be discussed further in the paper's conclusions.

Whereas the dominant coalition as a whole does not support or influence the use of the two-way symmetrical model, positive and significant relationships exist between that model and representation in the dominant coalition of the COO, the head of public relations, and individual, corporate and foundation major donors. These findings suggest that when donor representatives acquire power in a charitable organization, they help the organization be more accountable and balanced in its relations with all donor publics. On the other hand, representation of all three donor groups also has a significant relationship with the press agentry model. Government representation also is associated with the oldest model as practiced in major gifts, but has the only significant relationship of the 12 individuals and groups with the public information model.

This last finding is theoretically interesting in that the public information model of public relations—rather than of fund raising—predominantly has been found in government organizations (e.g., Turk, 1985). It may be that those who work for government prefer dissemination of accurate information over other typical ways to practice public relations and fund raising.

Analysis of Organizational/Practitioner Characteristics and the Models

Turning from the power-control variables, correlations were computed for the four models and 11 organizational and practitioner characteristics. Table 5 provides the results of those computations.

[Place Table 5 About Here]

Only two organizational characteristics have a significant relationship with any of the four models. The larger the organization, as measured by its number of employees, the more likely that organization will practice the two-way symmetrical model in its major gifts program. Furthermore, those organizations that practice the two-way symmetrical model in their major gifts program raise more total dollars in private support in a given year than those practicing the three other models.

The literature on autonomy suggests that larger organizational size predicts greater numbers of donors, which serve as protection against loss of autonomy. Useem (1987) illustrated this point with the Metropolitan Opera of New York. Senior managers of that charitable organization flatly deny any external influence by the opera's donors. They claim that gifts for a new production, for example, only are accepted if the production could have been a product of their own artistic judgements. In other words, they do not give up control to accept a gift, but they do change their production plans if the gift's purpose matches their self-determined objectives and goals. "Yet," as Useem pointed out, "the condition permitting the Metropolitan Opera to retain such fierce independence—*numerous generous contributors*—is not enjoyed by most nonprofit organizations" (p. 354; italics in original). Therefore, larger organizations, because of their broad base of donors, may be less likely to abdicate control but be more flexible in meeting donors' needs and interests, which would encourage them to practice fund raising symmetrically for more balanced effects.

As discussed earlier, the finding that the two-way symmetrical model has a positive and significant relationship with raising more money provides some evidence that this model, which is more ethical and socially responsible than the other models, also may be pragmatically more effective.

In contrast to the organizational characteristics, four of the five practitioner characteristics have a significant relationship with one or more of the four models. Only certification by NSFRE has no such relationship. This paper's author passed NSFRE's certification examination in 1993 and personally can attest that the exam and its two-day review course promote concepts from the two-way models in relation to ethics and research, but primarily measure knowledge of press agentry axioms. It is not surprising, therefore, that certification does not discriminate among the models of practice.

Table 5 provides evidence that younger practitioners tend to follow the public information model when raising annual gifts. Female fund raisers prefer the press agentry model for annual giving programs, whereas males tend to practice the more sophisticated two-way asymmetrical model when raising major gifts. Experience has an equally significant effect with major gifts programs predominantly using the two-way models and press agentry. In that fund raisers traditionally have received their training on-the-job, it can be hypothesized that some learned their craft under mentors who were knowledgeable about symmetrical concepts, whereas others only were exposed to older concepts of the practice.

Analysis of Autonomy Variables and the Models

To examine relationships between the four models and 11 items designed to measure propensity to forfeit autonomy through the fund-raising process, Pearson and Kendall correlations were computed. As shown in Table 6, only 6 of the 11 items have significant relationships with the models.

[Place Table 6 About Here]

Following their order in the table, those fund raisers with higher scores on the two-way asymmetrical model as practiced in annual giving believe more strongly than their colleagues that donors do not give for basics, but for excellence and enhancement. This finding supports the model theory in that two-way asymmetrical practitioners strive to shape messages that are attractive to donors; therefore, identifying new and meritorious gift purposes to offer donors would be part of their strategy. Kelly (1991) argued that such fund-raising strategies can lead to excessive loss of what Altbach and Berdahl (1981) defined as *procedural* autonomy. A new activity or program started by a gift is a future liability for the organization. The continued cost to support the gift purpose precludes the organization from using its resources to do something else (i.e., to determine the means by which its goals will be pursued). Encumbering future resources for enhancement and excellence, rather than for alternatives or basic needs, becomes a serious problem when such decisions are based on fund-raising and not organizational goals.

Those with higher scores on the public information model as practiced in annual giving believe that senior managers have unrealistic expectations of fund raisers. Theory suggested that this relatively common complaint would be associated with the asymmetrical models. In his study of fund raisers who belong to the three major professional associations, NSFRE, the Council for Advancement and Support of Education (CASE), and American Healthcare Philanthropy (AHP), Carbone (1989) found that a "frequent complaint is 'unrealistic expectations' and lack of 'understanding the appropriate role of development officers'" (p. 29). Carbone said that such complaints suggest that dollar goals are being imposed on many fund raisers by their organizations. Under such conditions, it was hypothesized, fund raisers would tend to ignore both the interests of donors and the usefulness of restricted gifts in order to meet dollar goals (i.e., they would practice an asymmetrical model).

Although fund raisers practicing all four models disagree that donor priorities often do not blend, those practicing the two-way asymmetrical model in major gifts programs disagree significantly more. In other words, these two-way asymmetrical fund raisers would argue that the interests of major donors are one and the same as the self-interest of their organization. Yet major gifts generally are restricted to special purposes; that is to say, gifts of $10,000 or more rarely are unrestricted for charitable organizations to use as they see fit (Worth, 1993).

There is significant consensus across all but the press agentry model that senior managers in the respondents' charitable organizations take possible negative reaction by donors into consideration when planning new programs or policy changes. These findings suggest that this item actually measures accountability to donors rather than propensity to forfeit autonomy. As discussed earlier, Milofsky and Blades (1991) stressed the obligation of charitable organizations to be accountable to those constituencies, such as donors, that have a legitimate interest in them, as well as to the larger society. Indeed, it is the dual concept of accountability that all organizations must carefully and constantly balance in relation to autonomy. High autonomy with low accountability describes a closed system that ignores its environment and the groups and publics on which it is dependent for success and survival. Theory predicts that such closed systems will fail. As given in Table 6, the two-way models have a stronger relationship with this item than the one-way models.

Similarly, higher scores on the normative model are significantly related to those practitioners who admit that their organization has changed its goals or shifted its priorities in order to acquire a particular gift. This item also may be more a measure of accountability than an issue of autonomy. Conceptually, there is a major difference between changing goals and shifting priorities (as several respondents pointed out). Symmetrical fund raisers may have focused on the second half of the item about shifting priorities, which is congruent with that model's emphasis on donor accountability.

Finally, organizations practicing all four models, but significantly those that predominantly practice the two-way asymmetrical model, have some formal policy to control the acquisition of gifts. Theory predicted that the absence of such policies (which accounts for the negative coefficients) would be an indicator of propensity to relinquish autonomy through the fund-raising process. For example, Lombardo (1990) found that of the 12 organizations in her study about interest conflicts between charitable organizations and corporate donors, "only four had formal guidelines or policies addressing potential conflicts of interest with benefactors" (p. 96).

The nondiscriminatory findings of this item, as reported in Table 6, are not surprising given that about half the respondents (44%) reported their organizations did have some form of policy and half (50%) reported that their organizations did not have a policy but relied on fund raisers to abide by a code of professional ethics and judge gifts on a case-by-case basis.

Plans for analysis included constructing an additive scale from these items that would provide a more powerful measure of propensity to forfeit autonomy. Attempts to construct one or more such scales were unsuccessful. All 11 items were first added into one simple scale. Correlations between that scale and the four fund-raising models were uninterpretable. The 11 items were then factor analyzed in an attempt to group them by relatedness. Four factors were produced, but their underlying concepts could not be identified. Also, the reliabilities of the factor-scales were unacceptably low, with Cronbach's alphas ranging from .23 to .39.

These unsuccessful attempts to combine the autonomy items provided strong evidence that the items were not measuring the same or similar concepts. It was concluded, therefore, that some items actually measure accountability to donors. It further was concluded that such a complex and multidimensional concept as autonomy is difficult to measure using self-reported data gathered by mail surveys. In future studies, qualitative methodology may be more fruitful in examining the relationship between fund raising and organizational autonomy.

CONCLUSIONS

Before summarizing major conclusions, caution must be stressed in that, generally, the correlations reported here are low even for the social sciences. Measurements of the four models, as well as the autonomy/accountability issues, need to be further refined and retested to improve their reliability and validity. Furthermore, multivariate analysis should be employed in future work to enhance our understanding. This paper represents only the early stages of a research program designed to describe and explain fund raising and to help charitable organizations practice this important function more effectively, more ethically, and with a higher degree of social responsibility.

With this research purpose in mind, the primary conclusion of this paper is that the dominant coalition does affect how fund raising is practiced. Significant findings document that charitable organizations practice the oldest and least ethical model of fund raising because that is how these organizations' dominant coalitions expect and want fund raising to be practiced. In other words, propagandizing the organization's cause and manipulating donors to support that cause are beliefs commonly held by those powerful people who control U.S. charitable organizations.

According to J. Grunig (1992), choice of the symmetrical model "is the key choice made by effective organizations," but the functional department—in this case, the fund-raising department—does not make that choice (p. 24). The choice, Grunig emphasized, is made by the dominant coalition. Top managers of the function, Grunig said, contribute to the model choice only if they are part of the dominant coalition. Furthermore, the top manager will be in the dominant coalition only when potential of the function is high, which includes enactment of the manager role, knowledge of and training in the two-way models, and a high level of professionalism.

This explanation overlooks a situation found in this study. Membership in the dominant coalition of the head of the fund-raising department is significantly related to the dominant coalition's support of and influence on fund raising (Table 2). That membership, however, has no relationship with the models practiced except for the two-way asymmetrical model in annual giving (Table 4). Heads of fund-raising departments—whether members of the dominant coalition or not—are exclusively and significantly associated with the press agentry model (Table 5).

This paper concludes that two situations describe the current state of fund raising by U.S. charitable organizations. In the first situation, the fund-raising head is a member of the dominant coalition, but the organization practices one of the asymmetrical models. Given that the fund-raising head is a dominant-coalition member of the majority of NSFRE organizations (63%), this situation likely describes most organizations today. Furthermore, as press agentry is the model predominantly practiced, most of those organizations choose to practice the oldest asymmetrical model.

In this situation, the fund-raising head has gained admittance to the power elite primarily because of the organization's need for fund-raising knowledge and skills. As J. Grunig (1992) explained, top managers of a function are included in the dominant coalition when they have expertise that helps organizations manage relationships with a strategic public that the dominant coalition has deemed important to the organization's success (e.g., donors). Fund-raising heads in this situation are unable to change asymmetrical presuppositions held by other members of the dominant coalition because these fund raisers have little or no training in the two-way symmetrical model. Instead, the fund raisers conform with the power elite's preference for one of the asymmetrical models without making much difference in the choice. Addressing educational fund raisers, former CASE president James Fisher (1985) illustrated the common occurrence of this first situation when he stated, "We are accepted at the academic conference table largely out of a pressing need for us rather than out of appreciation for what we are and what we do as professionals" (p. 12).

In the second situation, which describes 37% of all NSFRE organizations, the head of the fund-raising department is not a member of the dominant coalition and the organization predominantly practices the press agentry model. These fund-raising heads are basically technicians, as opposed to managers, who are trained in press agentry concepts. Because they are not members of the group that controls their organization and because they have little knowledge of the two-way symmetrical model, they are unable to change that group's asymmetrical presuppositions about fund raising. Therefore, their organizations will continue to predominantly practice press agentry.

These two situations must be viewed in context of the current environmental turbulence now surrounding charitable organizations. Briefly, *The Philadelphia Inquirer* ran a seven-part series in April 1993, that referred to the nonprofit sector as a $850 billion empire that costs the federal treasury $36.5 billion a year in lost revenue (Gaul & Borowski, 1993). Such recent media coverage, as well as complaints by clients, donors and other constituencies, have contributed to the frustration and cynicism of public officials, who have—in turn—initiated investigations and increased regulations. Describing the current legal climate in which charitable organizations find themselves, attorney Bruce Hopkins (1990) stated, "All that has been achieved, that is cherished, that has been taken for granted by the philanthropic community is under examination, challenge, and threat" (p. 205).

In short, the unethical and socially irresponsible practices of press agentry invite intervention and control. Continuing such practices may result in society and its representative government revoking the special status they have granted to charitable organizations (i.e., tax-exemption and the tax-deductibility of gifts). Given the conclusions just stated, it is imperative that future research concentrate on the potential of the fund-raising department, as determined by its enactment of manager or technician roles, its knowledge of the two-way models, and its professionalism.

More pragmatically, it is recalled that representation of the head of the fund-raising department in the dominant coalition had the strongest relationship with increased private support (.16, p < .00). Of the five dominant-coalition members who are significantly and positively related to the amount of dollars raised, three are associated with the two-way symmetrical model: individual donors (.14, p < .00), the COO (.10, p < .05), and the public relations head (.10, p < .05). This finding, along with the earlier finding that the two-way symmetrical is the only one of the four models that correlates positively and significantly with total dollars raised (.13, p < .05), provides evidence that the newest model can help charitable organizations raise more money, as well as be more ethical and socially responsible in their relations with donors. This conclusion adds an administrative value to future studies.

Organizational characteristics, on the whole, appear limited in their explanatory power, although larger organizations do tend to practice fund raising symmetrically. As J. Grunig and L. Grunig (1989) reported, structural variables have proven to be poor predictors of the public relations models after repeated testing. Based on these scholars' work and results reported here, future research should incorporate the two organizational variables found to have significant relationships with the fund-raising models and explore practitioner characteristics, such as those related to potential. Gender as an explanatory variable needs to be examined further. Given their relationship with the press agentry model, it may be that women—the majority of fund-raising practitioners—need more scholarly attention than their male counterparts.

Finally, this paper concludes that the issue of autonomy is best represented on a continuum with its dual concept of accountability. At one end of the continuum is high autonomy and at the other end is high accountability. This continuum represents the balanced/unbalanced effects of the fund-raising models (i.e., the symmetrical vs. asymmetrical dimension). The symmetrical model strives to maintain a balance between the dual concepts, placing the organization in the middle of the continuum. Asymmetrical models of fund raising invite situations in which either excessive amounts of autonomy are forfeited in exchange for a gift—placing the organization at the high accountability end of the continuum—or accountability to donors is ignored—placing the organization at the high autonomy end. Further research on this important issue is critical. As Pratt (1991) reminded us, "The vulnerability of nonprofit autonomy is especially evident in funding relationships" (p. 220).

REFERENCES

Altbach, P. G., & Berdahl, R. O. (Eds.). (1981). *Higher education in American society.* Buffalo, NY: Prometheus Books.

American Association of Fund-Raising Council (AAFRC) Trust for Philanthropy. (1991). *Giving USA: Estimates of philanthropic giving in 1990 and the trends they show.* New York: Author.

Cal. State U. decides against accepting gift. (1990, September 12). *The Chronicle of Higher Education*, p. A32.

Carbone, R. F. (1989). *Fund raising as a profession.* (Monograph No. 3). College Park, MD: University of Maryland, Clearinghouse for Research on Fund Raising.

Carmines, E. G., & Zeller, R. A. (1979). *Reliability and validity assessment.* Beverly Hills, CA: Sage.

Dressel, P. L. (1980). *The autonomy of public colleges.* San Francisco, CA: Jossey-Bass.

Fisher, J. L. (1985, September). Keeping our place at the academic table. CASE *Currents*, pp. 11-14.

Gaul, G. M., & Borowski, N. A. (1993). *Free ride: The tax-exempt economy.* Kansas City, MO: Andrews and McMeel.

Grunig, J. E. (1992). Communication, public relations, and effective organizations: An overview of the book. In J. E. Grunig (Ed.), *Excellence in public relations and communication management: Contributions to effective organizations* (pp. 1-28). Hillsdale, NJ: Lawrence Erlbaum Associates.

Grunig, J. E., & Grunig, L. A. (1989). Toward a theory of the public relations behavior of organizations: Review of a program of research. In J. E. Grunig & L. S. Grunig (Eds.), *Public Relations Research Annual* (Vol. 1, pp. 27-63). Hillsdale, NJ: Lawrence Erlbaum Associates.

Grunig, J. E., Grunig, L. A., Dozier, D. M., Ehling, W. P., Repper, F. C., & White, J. (1991). *Excellence in public relations and communication management: Initial data report.* San Francisco, CA: International Association of Business Communicators (IABC) Research Foundation.

Hage, J. (1980). *Theories of organizations: Form, process, and transformation.* New York: Wiley.

Herman, R. D. & Block, S. R. (1990). The board's critical role in fund raising. In J. Van Til & Associates, *Critical issues in American philanthropy: Strengthening theory and practice* (pp. 222-241). San Francisco, CA: Jossey-Bass.

Hopkins, B. R. (1990). Legal issues in fund raising and philanthropy. In J. Van Til & Associates (Eds.), *Critical issues in American philanthropy: Strengthening theory and practice* (pp. 204-22). San Francisco, CA: Jossey-Bass.

Kelly, K. S. (1991). *Fund raising and public relations: A critical analysis.* Hillsdale, NJ: Lawrence Erlbaum Associates.

Kelly, K. S. (1993). Public relations and fund-raising encroachment: Losing control in the nonprofit sector. *Public Relations Review, 19*(4), 349-365.

Kelly, K. S. (1994). Fund-raising encroachment and potential of the public relations department in the nonprofit sector. *Journal of Public Relations Research, 6*(1), 1-22.

Kelly, K. S. (in press). Utilizing public relations theory to conceptualize and test models of fund raising. *Journalism Quarterly, 71*(4).

Lombardo, B. J. (1991). Conflicts of interest between nonprofits and corporate donors. In D. F. Burlingame & L. J. Hulse (Eds.), *Taking fund raising seriously: Advancing the profession and practice of raising money* (pp. 83-99). San Francisco, CA: Jossey-Bass.

Milofsky, C., & Blades, S. D. (1991). Issues of accountability in health charities: A case study of accountability problems among nonprofit organizations. *Nonprofit and Voluntary Sector Quarterly, 20*(4), 371-393.

Mongon, G. J. (1992, March). *NSFRE profile: 1992 membership survey.* Washington, DC: National Society of Fund Raising Executives.

Pratt, J. (1991). What grantmakers should know about today's grantseekers. In J. P. Shannon (Ed.), *The corporate contributions handbook: Devoting private means to public needs* (pp. 213-226). San Francisco, CA: Jossey-Bass.

Salamon, L. M. (1987). Partners in public service: The scope and theory of government-nonprofit relations. In W. W. Powell (Ed.), *The nonprofit sector: A research handbook* (pp. 99-117). New Haven, CT: Yale University Press.

Thompson, J. D. (1967). *Organizations in action.* New York: McGraw-Hill.

Turk, J. V. (1985). Public relations in state government: A typology of management styles. *Journalism Quarterly, 62*, 304-315.

Useem, M. (1987). Corporate philanthropy. In W. W. Powell (Ed.), *The nonprofit sector: A research handbook* (pp. 340-359). New Haven, CT: Yale University Press.

Worth, M. J. (1993). Elements of the development program. In M. J. Worth (Ed.), *Educational fund raising: Principles and practice* (pp. 10-17). Phoenix, AZ: American Council on Education-Oryx Press.

Table 1
SIX MAJOR TYPES OF CHARITABLE ORGANIZATIONS BY MEAN SCORES ON FUND-RAISING MODELS AS PRACTICED IN MAJOR GIFTS PROGRAMS

		MODELS							
TYPES OF CHARITABLE ORGANIZATIONS	N	Two-Way Symmetrical (Alpha=.63)		Two-Way Asymmetrical (Alpha=.74)		Public Information (Alpha=.56)		Press Agentry (Alpha=.69)	
		Means	*SD*	*Means*	*SD*	*Means*	*SD*	*Means*	*SD*
All Organizations	**275**	**7.67**	**3.51**	**5.85**	**3.99**	**8.33**	**2.96**	**10.32**	**3.71**
Arts, Culture and Humanities	45	7.15	3.53	4.40	3.65	7.87	2.74	10.05	3.71
Education	37	8.24	3.59	6.40	4.76	8.87	3.70	10.40	3.44
Health	48	7.48	3.79	5.93	4.40	8.12	2.95	10.26	3.44
Human Services	47	8.23	3.07	6.63	3.93	8.48	2.71	10.84	3.47
Public/Society Benefit	48	7.21	3.87	5.91	3.87	7.95	3.33	10.28	4.43
Religion	50	7.80	3.92	5.90	4.18	8.78	3.04	10.09	3.90

Missing Cases = 21

NOTE: Scores are the square roots of responses on a fractionation scale for which respondents were told that 100 is a typical response on all of the items. Thus, in this table a mean of 10—the square root of 100—represents this typical response.

Table 2

KENDALL CORRELATION COEFFICIENTS FOR REPRESENTATION IN THE DOMINANT COALITION WITH THE DOMINANT COALITION'S SUPPORT OF AND INFLUENCE ON FUND RAISING

DOMINANT COALITION MEMBERS	In % Of Organizations (N=295)	**DEGREE DOMINANT COALITION SUPPORTS FUND RAISING**	**DEGREE DOMINANT COALITION INFLUENCES FUND RAISING**
Chief Executive Officer (CEO)	94%	.01	.01
Trustees/Directors of Board	80%	-.01	-.00
Head of Fund Raising	63%	**.13***	**.11***
Chief Financial Officer (CFO)	52%	.00	-.05
Chief Operating Officer (COO)	35%	.03	-.05
Head of Public Relations	30%	.01	.01
Individual Major Donors	16%	.02	**.10***
Corporate Major Donors	10%	-.01	.07
Employees	8%	.03	-.03
Clients/Customers	8%	-.04	.01
Government	8%	-.07	-.03
Foundation Major Donors	5%	.00	.04

*$p \leq .05$

Table 3
PEARSON CORRELATION COEFFICIENTS FOR THE DOMINANT COALITION'S SUPPORT OF AND INFLUENCE ON FUND RAISING WITH FOUR FUND-RAISING MODELS AS PRACTICED IN ANNUAL GIVING AND MAJOR GIFTS PROGRAMS

	MODELS							
DOMINANT COALITION'S SUPPORT & INFLUENCE	Two-Way Symmetrical		Two-Way Asymmetrical		Public Information		Press Agentry	
	AG	MG	AG	MG	AG	MG	AG	MG
Extent to Which the Dominant Coalition **Supports** the Fund-Raising Function	**-.12***	.03	.11	.08	.04	.10	**.16****	**.15***
How Much the Dominant Coalition **Influences** the Way Fund Raising Is Practiced	.06	.09	**.14***	.11	**.16****	**.13***	**.28****	**.15***

*p < .05 **p < .01

AG = Annual Giving Program MG = Major Gifts Program

Table 4
KENDALL CORRELATION COEFFICIENTS FOR REPRESENTATION IN THE DOMINANT COALITION WITH FOUR FUND-RAISING MODELS

		MODELS							
DOMINANT COALITION MEMBERS	In % Of Organizations (N=295)	Two-Way Symmetrical		Two-Way Asymmetrical		Public Information		Press Agentry	
		AG	MG	AG	MG	AG	MG	AG	MG
Chief Executive Officer (CEO)	94%	-.09	-.11*	-.13*	-.09	.01	-.01	-.07	-.10*
Trustees/Directors of Board	80%	.08	.06	.09	.04	.05	.03	.05	.04
Head of Fund Raising	63%	.09	.09	.11*	.09	.03	.03	.06	.03
Chief Financial Officer (CFO)	52%	.06	.08	.06	.12*	.06	.07	.00	.03
Chief Operating Officer (COO)	35%	.13**	.12*	.09	.11*	-.00	.00	.06	.04
Head of Public Relations	30%	.10	.10*	.09	.07	.09	.02	.06	.03
Individual Major Donors	16%	.15**	.15**	.14**	.18**	-.02	.03	.10*	.07
Corporate Major Donors	10%	.10*	.06	.09	.10*	.03	-.00	.06	.06
Employees	8%	.03	-.01	.01	.00	-.03	-.03	-.03	-.00
Clients/Customers	8%	.08	.01	.04	-.01	-.01	-.04	.03	.03
Government	8%	.08	.07	.03	.03	.10*	.08	.01	.10*
Foundation Major Donors	5%	.15**	.17**	.10*	.12*	.03	.04	.11*	.12*

*p < .05 **p < .01

AG = Annual Giving Program MG = Major Gifts Program

Table 5
CORRELATION COEFFICIENTS FOR 11 ORGANIZATIONAL AND PRACTITIONER CHARACTERISTICS WITH FOUR FUND-RAISING MODELS

	MODELS							
DEMOGRAPHIC VARIABLES	Two-Way Symmetrical		Two-Way Asymmetrical		Public Information		Press Agentry	
	AG	MG	AG	MG	AG	MG	AG	MG
Organization								
Number of People Employed by Organization[1]	.10	**.15***	-.00	.01	.03	.06	.00	.04
Number of Professional Fund Raisers Employed[1]	.00	.04	-.02	-.02	.02	.06	.02	.04
Number of All People Working in Fund Raising[1]	.04	-.07	-.00	-.08	-.01	-.08	-.01	-.09
Total Dollars Raised in Private Support[1]	.11	**.13***	.09	.07	.11	.10	-.02	.05
Type of Charitable Organization[2] *(Arts, Culture = 1/Religion = 6)*	.00	-.00	.03	.06	.04	.05	-.02	.03
To Whom the Fund-Raising Department Reports[2] *(Junior Management Level = 1/CEO = 3)*	-.03	-.06	.05	.04	-.01	-.05	.09	.02
Practitioner								
Years of Fund-Raising Experience[1]	.11	**.13***	.06	**.13***	.02	.09	.07	**.15***
Age[1]	-.01	-.03	.01	.02	**-.13***	-.11	.03	.05
Head of Fund-Raising Department[2]	-.03	-.05	**-.10***	-.09	-.06	-.09	**.12***	**.14****
Gender[2] *(Female = 1/Male = 2)*	.08	.02	.09	**.11***	-.07	-.04	**-.10***	-.03
CFRE Certification[2]	.05	.08	.02	.05	-.01	.04	.02	.04

*p < .05 **p < .01

[1] Pearson Correlation Coefficients
[2] Kendall Correlation Coefficients

AG = Annual Giving Program MG = Major Gifts Program

Table 6
CORRELATION COEFFICIENTS FOR 11 AUTONOMY ITEMS WITH FOUR FUND-RAISING MODELS

	MODELS							
	Two-Way Symmetrical		Two-Way Asymmetrical		Public Information		Press Agentry	
AUTONOMY VARIABLES	AG	MG	AG	MG	AG	MG	AG	MG
Announced fund-raising needs generally do not have a strong relationship to the purposes of gifts actually raised.[1]	-.02	.01	-.00	-.03	-.03	-.01	-.10	-.06
Donors give for excellence and enhancement purposes, not for basics.[1]	.11	.12	**.12***	.09	.07	.06	-.06	-.02
Senior managers often have unrealistic expectations of fund raisers.[1]	.09	.09	-.02	-.01	**.14***	.09	.03	.06
Donor priorities do not control, but often they do not blend with those of the organization.[1]	-.05	-.03	-.09	**-.15***	.04	-.04	.00	-.03
Incidences of donors trying to influence organizational policy are not rare.[1]	.08	.12	.05	.05	.07	.07	-.01	.04
Possible negative reaction by donors is often taken into consideration when planning new programs or policy changes.[1]	.08	**.16****	**.16****	**.15***	.05	**.13***	.06	.11
Some gifts cause a significant shift in organizational priorities.[1]	.06	.08	.03	.03	-.10	-.01	-.03	.01
Importance of a gift largely is determined by its dollar amount.[1]	-.05	-.07	-.05	-.08	.03	.08	.08	.11
Organizations must be flexible when prioritizing gift needs.[1]	.11	.06	.07	-.01	-.00	-.07	.06	-.00
My organization has changed its goals or shifted its priorities in order to acquire a particular gift.[2]	**.12***	**.12***	.03	.03	.08	.09	-.03	.02
Little Organizational Policy To Control Acquisition of Gifts[2] *(Comprehensive Written Policy = 1/ No Policy = 4)*	-.07	-.08	**-.16****	**-.15****	-.06	-.07	-.02	-.03

*p < .05 **p < .01

[1] Pearson Correlation Coefficients
[2] Kendall Correlation Coefficients

AG = Annual Giving Program MG = Major Gifts Program

U.S. DEPARTMENT OF EDUCATION

OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT (OERI)

EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

Please return to:
ERIC/RCS
150 Smith Research Center
Bloomington, IN 47408-2698

REPRODUCTION RELEASE (Specific Document)

I. DOCUMENT IDENTIFICATION

Title: Doing Well While Doing Good: An Explanatory Study of the Fund-Raising Function of U.S. Charitable Organizations

Author(s): Kathleen S. Kelly

Corporate Source (if appropriate):

Publication Date:

II. REPRODUCTION RELEASE

In order to disseminate as widely as possible timely and significant materials of interest to the educational community, documents announced in the monthly abstract journal of the ERIC system, Resources in Education (RIE), are usually made available to users in microfiche and paper copy (or microfiche only) and sold through the ERIC Document Reproduction Service (EDRS). Credit is given to the source of each document, and, if reproduction release is granted, one of the following notices is affixed to the document.

If permission is granted to reproduce the identified document, please CHECK ONE of the options and sign the release below.

CHECK HERE ➧ ☒ Microfiche (4" x 6" film) and paper copy (8½" x 11") reproduction

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY
Kathleen S. Kelly
[PERSONAL NAME OR ORGANIZATION, AS APPROPRIATE]
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

OR

☐ Microfiche (4" x 6" film) reproduction only

"PERMISSION TO REPRODUCE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY
[PERSONAL NAME OR ORGANIZATION, AS APPROPRIATE]
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

Documents will be processed as indicated provided reproduction quality permits. If permission to reproduce is granted, but neither box is checked, documents will be processed in both microfiche and paper copy.

"I hereby grant to the Educational Resources Information Center (ERIC) nonexclusive permission to reproduce this document as indicated above. Reproduction from the ERIC microfiche by persons other than ERIC employees and its system contractors requires permission from the copyright holder. Exception is made for non-profit reproduction of microfiche by libraries and other service agencies to satisfy information needs of educators in response to discrete inquiries."

SIGN HERE ➧

Signature: K. S. Kelly
Printed Name: Kathleen S. Kelly
Organization: University of Southwestern Louisiana
Department of CMCN
Position: Associate Professor

Where to send
complimentary
microfiche-->

Address: Box 43650 USL
Lafayette, LA
Zip Code: 70504-3650
Tel. No.: (318) 482-6953
Date: 7/31/94

III. DOCUMENT AVAILABILITY INFORMATION (Non-ERIC Source)

If permission to reproduce is not granted to ERIC, or, if you wish ERIC to cite the availability of the document from another source, please provide the following information regarding the availability of the document. (ERIC will not announce a document unless it is publicly available, and a dependable source can be specified. Contributors should also be aware that ERIC selection criteria are significantly more stringent for documents which cannot be made available through EDRS.)

Publisher/Distributor:
Address:
Price Per Copy:
Quantity Price:

IV. REFERRAL TO COPYRIGHT/REPRODUCTION RIGHTS HOLDER

If the right to grant reproduction release is held by someone other than the addressee, please provide the appropriate name and address:

EFF-53 (Rev. 4/86)

GUIDELINES FOR COMPLETING THE REQUEST FOR REPRODUCTION RELEASE FORM

Under the present copyright law a reproduction release must be obtained for each document before it can be processed for the ERIC system. There are three options:

(Level I) Microfiche (4" x 6" film) and paper copy (8-1/2" x 11") reproduction

This option, which allows ERIC to make the document available on microfiche or in paper copy is most frequently chosen by authors. (77% of ERIC documents are entered as Level I.) This arrangement does not preclude later publication of the document or sale of a printed version by author or institution. However, if you have a limited supply of printed copies or if the document should go out of print, a copy of your document from which other copies can be made will always be available in ERIC.

(Level II) Microfiche (4" x 6" film) reproduction only

This option allows ERIC to make the document available throughout the system on microfiche only. It is most useful if you have a large supply of printed copies but would like to refer requestors to ERIC once your supply is exhausted. This arrangement does not preclude later publication of the document, or sale of the printed document by the author or institution. The ERIC copy of the paper serves an archival function. (13% of ERIC documents are entered in this way.)

(Level III) Document may not be reproduced by ERIC. (Complete Section III of the form.) The document will be cited with bibliographic information, an abstract, and availability information.

NOTE: It is recommended that materials be submitted at Level I or Level II to insure their future availability.

EXCELLENCE IN INVESTOR RELATIONS:
AN EXPLORATORY STUDY OF CEO PERCEPTIONS

by
Barbara K. Petersen, PhD
Assistant Professor
and
Hugh J. Martin
Graduate Student

School of Mass Communications
The University of South Florida
4202 E. Fowler Avenue -- CIS 1040
Tampa, FL 33620-7800
(813) 974-2591
FAX: (813) 974-2592

INTERNET: petersen@chuma.cas.usf.edu
martin@luna.cas.usf.edu

A paper presented to the Public Relations Division of the Association for Education in Journalism and Mass Communication (AEJMC), Annual Convention, Atlanta, Georgia, August 9-13, 1994.

EXCELLENCE IN INVESTOR RELATIONS:
AN EXPLORATORY STUDY OF CEO PERCEPTIONS

ABSTRACT

Chief Executive Officers in the top 250 top non-banking public companies headquartered in Florida do not support the normative theory that investor relations is part of the public relations function. A mail survey (31% response rate) revealed that these CEOs favor financial affairs executives and departments to supervise and conduct investor relations. In their overall communications philosophy, these CEOs display congruence with standards of excellence in internal communications, but they are less inclined toward excellence in communicating with publics outside their companies. CEOs apparently perceive the investor relations function to be more technically than managerially oriented, and they tend to believe that one-way communication models or the two-way asymmetric model of public relations work best in their organizations. Since CEO perceptions of public relations and investor relations determine how these functions operate in an organization, this exploratory study can provide insight to future researchers regarding what investor relations activities help and do not help particular companies achieve excellence.

EXCELLENCE IN INVESTOR RELATIONS: AN EXPLORATORY STUDY OF CEO PERCEPTIONS

INTRODUCTION[1]

Overview

Since one of the most important areas of corporate communications is communication with financial stakeholders,[2] theories of excellence in public relations would seem to have special relevance here. The designation of public relations as a management function infers that it contributes significantly to the operation and success of the organization. As L. Grunig, J. Grunig, and Ehling (1992) conclude:

> Public relations contributes to organizational effectiveness when it helps reconcile the organization's goals with the expectations of its strategic constituencies. This contribution has monetary value to the organization. Public relations contributes to effectiveness by building quality, long-term relationships with strategic constituencies (p. 86).

While a number of studies have examined how investor relations practitioners perceive this activity, it is not as well known how the chief executive officers (CEOs) of public companies perceive investor relations. This should be critically important to public relations practitioners because, as noted in Pincus, Rayfield, and Cozzens (1991), "The CEO's support of and participation in public relations programs, both internally and externally, are vital" (p. 3). L. Grunig's (1992) research on the power-control perspective in organizations confirms that "Organizations practice public relations as they do ... because the dominant coalition decides to do it that way" (p. 483). The dominant coalition is led, of course, by an organization's CEO.

To investigate the foregoing, the present study examined how well the normative theory of investor relations as presented in public relations textbooks agrees with the perception held by CEOs in companies headquartered in the nation's fourth most populous state. To conduct this comparison, this study uses the theoretical basis provided in the seminal International Association of Business Communicators (IABC) "excellence study" (*Excellence*, 1992). In the preface to that volume, Editor James E. Grunig states that it provides "a general theory of public relations -- a theory that integrates most of the wide range of ideas about and practices of communication management in organizations" (p. xiv). Furthermore, just as this general theory was intended to provide "guidance" for the empirical work in the excellence research project, it was also offered as "guidance for other public relations scholars" (p. xiv). The researchers in this study accepted that invitation.

---

[1] The researchers are grateful to University of South Florida undergraduate students Tricia Bever, Diane Weiss, and Brooke Fuss for research, coding and clerical assistance with this study.

[2] This area is heavily regulated by federal statutory law: (a) the Securities Act of 1933 and its amendments, which require mandatory disclosure for the initial offering and sale of securities; (b) the Securities Exchange Act of 1934 and its amendments, which regulate the trading of securities after the initial offer; and (c) the Investment Advisers Act of 1940 that regulates some financial publications.

Definitions

Major public relations textbooks identify *investor relations* (sometimes called *financial public relations*) as a key component of corporate public relations practice (*See, e.g.*, Cutlip, Center, and Broom, 1994; Newsom, Scott, and Turk, 1993; Wilcox, Ault and Agee, 1992; Baskin and Aronoff, 1992; Center and Jackson, 1990; J. Grunig and Hunt, 1984). Investor relations, or financial public relations, is identified as "the specialized part of corporate public relations that builds and maintains mutually beneficial relationships with shareholders and others in the financial community" (Cutlip, Center, & Broom, 1994, p. 19). Specifically, "the role of the corporate financial relations specialist or consultant tends to be that of interpreter and mediator between the prime audiences" (Center and Jackson, 1990, p. 101).

These textbook descriptions of *investor relations* are congruent with the contemporary definition of *public relations* as "the management of communication between an organization and its publics" (J. Grunig, 1992a, p. 4). J. Grunig (1992a) argues that "Public relations and communication management describe the overall planning, execution, and evaluation of an organization's communication with both external and internal publics" (p. 4).

J. Grunig's (1992a) definition of public relations is echoed in Miller's (1991) description of the responsibilities of an investor relations department or independent firm, as found in *Lesly's Handbook of Public Relations and Communications*. Miller (1991) says that the purpose of the investor relations function is to "act as liaison between the company's top management" and 16 "influential financial groups." These are:

1. Stock exchange member firms, customers' brokers, branch office managers.
2. Members of the security analyst societies and individual analysts.
3. Unlisted or over-the-counter dealers.
4. Investment bankers.

5. Commercial bankers (trust departments).
6. Registered investment advisory services.
7. Insurance companies and pension funds that buy common stocks.
8. Mutual funds and investment trusts.
9. Investment counselors.
10. Trustees of estates and institutions.
11. Financial statistical organizations.
12. Investment magazines and financial publications (semi-weekly, weekly, bi-weekly, semi-monthly, monthly, and quarterly).
13. Large individual shareholders.
14. Debt rating agencies (Standard and Poor's, Moody's).
15. Portfolio managers.
16. Lender banks (pp. 166-167).[3]

However, while the normative definition is that investor relations is clearly within the *function* of public relations, it is ranked by *Lesly's Handbook* as seventh in "approximate order of prevalence" of the 12 "standard functions" that are *actually performed* in corporate public relations departments (Prout, 1991, p. 731).[4]

CONCEPTUALIZATION

Investor Relations Organizational Structure

In their discussion of the management function of public relations, J. Grunig and Hunt (1984) note that investor relations is a "hybrid of public relations and corporate finance" (p. 352). This would lead one to believe, therefore, that these disciplines are equal contributors to corporate investor relations programs.

Yet, according to a 1987 Conference Board study on the current staffing and organization of corporate external relations and communications departments, these programs report to *other* company executives than public affairs[5] in 70 percent of the firms surveyed (Lusterman, 1987, p. 5). Two earlier Conference Board reports produced similar findings. One study concluded that investor relations most often reported to a financial rather than a communications executive, even though both disciplines were essential to the performance of the function (McGrath, 1974). Another found that it was quite common to parcel out among several executives the various external relations functions of media relations, government relations, stockholder relations, institutional investor relations, customer relations and consumer affairs, and community relations (McGrath, 1976). Furthermore, McGrath (1976) found that chief executive officers in smaller firms were likely to take on some of these responsibilities directly.[6]

---

[3] As noted by Grunig and Hunt (1984), an organization's linkage with such publics would be classified as *enabling*, because these publics "provide the authority and control the resources that enable the organization to exist" p. 140). The full discussion of linkages identifies three additional types that are believed to be critical for the survival of an organization. *Functional* linkages are "with organizations or publics that provide inputs and take outputs." In this context, inputs "include relations with employees and unions and with suppliers of raw materials," while outputs "may be with other organizations that use the organization's products ... or ... services." *Normative* linkages "are with organizations that face similar problems or share similar values." *Diffused* linkages are with "'publics' that arise when the organization has consequences on people outside the organization" (pp. 141-143).

[4] In Prout's report of a broad study of corporate departments' functions conducted by Neomathics for AT&T Communications, the reader learns that "Of time spent on financial communication, 46 percent is devoted to annual and quarterly reports; 31 percent to communicating with analysts, brokers, etc.; 10 percent to annual and quarterly meetings; 8 percent to written and phone responses to queries" (Prout, 1991, p. 732).

CEO's Conception of Public Relations

The manner in which a company's functions are organized, is, of course, the prerogative of the chief executive officer (CEO). J. Grunig (1992a) points out that the key choice of how public relations will be practiced in an organization is made by those in the "dominant coalition," *i.e.*, people who hold the power in the organization (p. 24). Furthermore, in their study of the communication behavior of Fortune 500 CEOs, Pincus, Rayfield, and Cozzens (1991) note that:

> As a management function, public relations is an extension of the CEO, the top communicator of the organization. Obviously, if the CEO doubts the value of public relations, the function will receive little funding or support from top management -- and efforts are likely to be ineffective (p. 3).

Whether or not the CEO values the public relations function, Pincus, Rayfield, and Cozzens (1991) found that the top executive wants to be the organization's primary spokesperson externally. But of all the CEO's potential target publics, shareholders were next to lowest in priority; only 12 percent of CEOs surveyed communicated with shareholders on a daily/weekly basis, for a rank of 11 of the 13 target publics identified (p. 22). Additionally, in their study of the internal communications role of the CEO, these authors report that the communication activities of CEOs, both internal and external, are known primarily through "speculation and isolated anecdotal information" (p. 10).[7] For these reasons, the present systematic study focused exclusively on the CEOs' perceptions of public relations and investor relations.

---

[5] The report states that:

> "[P]ublic affairs" is the choice of most companies to designate the function that embraces government relations, public relations, and, usually, other programs areas as well. ... Among the principal alternatives, "external relations" is seen by many executives to neglect the internal communications aspects, "corporate relations" to be too vague, and "corporate communications" to overlook the coalition-building and other organizing aspects of the function (Lusterman, 1987, p. 8).

[6] McGrath (1976) points out that even though most of the companies in the study had a fragmented approach to organizing their relations with external publics, very few had no way to coordinate their efforts. Predominant means for this coordination were committees of all external relations executives or coordinating policy statements (pp. 38-39).

Characteristics of "Excellence" in Management

Because an investor relations program is universally recognized as a *communication* function, it is important to define what might be the characteristics that represent excellence in communication management. A definition that is consistent with what public relations theorists believe to be excellence in public relations programs can be found in the 12 characteristics listed by J. Grunig (1992b) in the IABC excellence study:

(1) *Human Resources* -- Excellent organizations empower people by giving employees autonomy and allowing them to make strategic decisions (p. 223).

(2) *Organic Structure* -- Organizations give people power by eliminating bureaucratic, hierarchical organizational structures. ... They decentralize decisions .... They also avoid stratification of employees (p. 225).

(3) *Intrapreneurship* -- Excellent organizations have an innovative, entrepreneurial spirit ... [that] occurs in organizations that develop organic structure and cultivate human resources (p. 229).

(4) *Symmetrical Communication Systems* -- Excellent organizations "stay close" to their customers, employees, and other "strategic constituencies" (p. 231).

(5) *Leadership* -- Excellent organizations have leaders who rely on networking and "management-by-walking-around" rather than authoritarian systems (p. 233).

(6) *Strong, Participative Cultures* -- Employees of excellent organizations share a sense of mission (p. 236).

(7) *Strategic Planning* -- Excellent organizations strive to maximize the bottom line by identifying the most important opportunities and constraints in their environment (p. 237).

(8) *Social Responsibility* -- Excellent organizations manage with an eye on the effects of their decisions on society as well as on the organization (p. 240).

---

[7] The one exception, according to those authors, is Grubbs 1984 dissertation (cited in Pincus, Rayfield, and Cozzens, 1991) that provided "a useful early profile" of Fortune 500 CEOs' external communications practices. In a section relevant to the present study, Grubbs "reported that ... CEOs communicate most frequently with professional colleagues, customers, and stockholders" (p. 10).

(9) *Support for Women and Minorities* -- Excellent organizations recognize the value of diversity by employing female and minority workers and taking steps to foster their careers (p. 241).

(10) *Quality is a Priority* -- Total quality is a priority not only in words or in the company's philosophy statement but priority when actions are taken, decisions are made, or resources are allocated (p. 243).

(11) *Effective Operational Systems* -- Excellent organizations build systems for the day-to-day management of the organization that implement the previous characteristics (p. 244).

(12) *A Collaborative Societal Culture* -- Organizations will be excellent more often in societies whose cultures emphasize collaboration, participation, trust, and mutual responsibility (p. 245).

J. Grunig (1992b) concludes that "it seems only logical to center the management of communication in a single department. The logical department is public relations -- or a department with a synonymous name such as corporate communication or public affairs" (p. 248).

Elsewhere in the excellence study, J. Grunig and L. Grunig (1992) argue that a "two-way symmetrical model provides a normative theory of how public relations should be practiced to be ethical and effective" (p. 285). Such a model "uses research to facilitate understanding and communication rather than to identify messages most likely to motivate or persuade publics" (p. 289). Another two-way communication model, the "asymmetrical" model, is imbalanced because "it leaves the organization as is and tries to change the public" with which it has a relationship (p. 289). Both these models stand in contrast to the one-way communication fostered by two other models that use no research -- the "press agentry/publicity" model that focuses solely on promotion (p. 287), or the "public information" model that focuses only on dissemination of information by organizations to explain their actions to their various publics (p. 288). J. Grunig and L. Grunig (1992) conclude that the two-way symmetrical model "is a major component of excellence in public relations and communication management" (p. 320).

Characteristics of "Excellence" in Investor Relations (IR)

What the investor relations industry considers to be excellence in investor relations programs is consistent with what public relations theorists believe to be excellence in public relations programs. Kolb's (1992) discussion of important elements for analysts to consider in evaluating a company's securities emphasizes "public perception," "management quality," and "social responsibility" (p. 442). Regarding the latter, Kolb (1992) warns that "companies that disregard the health of their customers or the well-being of the environment may incur large losses from lawsuits or governmental intervention" (pp. 445-446). The example he cites as the "best" in the area of social responsibility is the communication effort put forth by Johnson & Johnson regarding the Tylenol tampering incident (p. 446). This is the same incident cited by many public relations practitioners as the best example in their practice of crisis communications and social responsibility.

A reasonable contemporary source for characteristics that represent excellence to the investor relations industry is the annual analysis by the business magazine *Institutional Investor* of the companies or the investor relations directors chosen by its "All-America Research Team"[8] as standouts in communicating with Wall Street. The earliest of the most recent five annual analyses notes that "certain eternal truths apply" to the judgment of what makes a good investor relations program. These "truths" are remarkably similar to the understanding of public relations as a management function. The magazine reported that:

> A company should be open to the investment community and go out of its way to regularly bring together analysts and top brass. It should make sure that followers' expectations approach reality, so there are no surprises. It should quickly and candidly address rumors, news and unfolding developments. It should not stick its head in the sand during lean times. And its IR person should be fairly knowledgeable about both the company and its industry, someone who has the ear -- as well as the respect -- of his or her superiors ("The best and," 1989, p. 58).

Significant improvement was the theme of the 1990 *Institutional Investor* annual analysis ("The six most"), with as much to be learned about what analysts *do not* like as what they *do*.

(1) Companies should not be defensive. The complaint about one company by an analyst was: "If you got a press release, it didn't pay to call, because all you got was a reiteration and nothing more. The IR director had no latitude to give you his insights" (p. 78).

(2) IR directors need to have a strong understanding of company technical matters, access to top management, and significant exposure to the investment community. Otherwise, financial analysts will not be able to obtain adequate information to report on the company.

(3) Companies cannot be secretive about providing detailed information. This strategy actually produces more problems for the company than would be solved by owning up to the

---

[8] Included in the annual analyses are the judgments of analysts and portfolio managers from the top 150 institutions, identified as the largest tax-exempt asset managers, leading investment bankers, and other "top analysts" in the financial community.

complaint. In one case, an analyst protested: "You couldn't talk to the CFO [chief financial officer], you couldn't talk to top management; they were hostile, and the enemy was the investor. I left many a meeting feeling that I'd been hit over the head" (p. 80).

(4) Companies need to attend analysts meetings. According to the *Institutional Investor* report, Johnson & Johnson did not attend an analysts meeting for the first 100 years of its history. Beginning an IR program in 1989 meant that analysts finally were provided with the necessary data about the company to "make the judgments necessary to differentiate our research from other firms" (p. 83).

According to the *Institutional Investor* annual analysis in 1991, "the characteristics of great investor relations directors are elusive" ("America's best," 1991, p. 85). The ten "most talented" IR directors chosen by the magazine "were described as smart, responsive, accessible and knowledgeable, but so were hundreds of others who didn't make the cut" (p. 85). The profile presented by the ten receiving the strongest support is as follows:

> Seven winners devote themselves exclusively to IR; three juggle other responsibilities. The average length of tenure is seven years, but the range is wide -- from a mere 30 months to fifteen years in the saddle. Most, but not all, report to the CFO; two report to a communications executive and one to the CEO (that IR director is also the CFO). Further, four count annual-report production among their duties; the remaining six do not (except for oversight). Five represent one-man (or one-woman) shows; the rest manage departments ranging in size from two to ten professionals (p. 85).

The 1992 *Institutional Investor* annual analysis ("Picks and pans," 1992) ranked the "best" and the "worst" in several categories. "Most responsive IR officers" were rewarded for (a) putting in twelve-hour workdays to cheerfully provide quality information to analysts; (b) being available, "quick and thorough" in providing answers to every question asked, and recognizing that IR programs are "a matter of building relationships with people in good times and bad;" and (c) being competent, credible, candid, and conscientious by trying "to supply more than a simple yes or no" (p. 120). "IR programs most in need of improvement" were cited for such things as "visible disdain for the Street," "one-line press releases," and "bureaucratic organizations" that meant "an important institutional client" had to wait two weeks to receive an annual report (p. 123).

The most recent *Institutional Investor* analysis ("Coups," 1993) recognized companies that "scored an impressive IR coup" in the previous year for such things as "trying hard to have a good rapport with its investors" (p. 93), and "dramatically open[ing] up lines of communication with the investment community" (p. 94). One company's coup was a dramatic turn-around in just one year of a "generally disorganized IR effort" after hiring an IR director who had 16 years of experience managing corporate communications for a competitor.

Integration of Investor Relations and Public Relations

Contemporary research on the integration of communications efforts in investor relations and public relations has thus far focused upon managers at the lower levels of organizations.

A 1991 survey of members of the Investor Relations Section of the Public Relations Society of America (PRSA) determined that there is "a growing need for interdependence between investor relations and other corporate communications professionals" (Ferris and Newman, 1991, p. 18).[9] Survey respondents recognized the traditional fragmentation of responsibility for corporate communications across company divisions, but called for close cooperation in the face of new demands from the growing influence of institutional and foreign investors, activist shareholders, and financial analysts (p. 18).[10]

A year earlier, a public relations consultant in investor relations cautioned that "many senior managers remain unaware of the pitfalls lying in wait for a company that does not coordinate its communications functions" (Johnson, 1990, p. 26).[11] Another consultant emphasized the different challenges faced by smaller companies, primary of which is simply gaining investors' attention (Neilson, 1990). Additionally, Neilson (1990) pointed out that communication problems result when the chief executive officer and/or the chief financial officer "take a personal leadership role in dealing with the financial community and [do] not share with the public relations officer what is being done" (p. 26).

---

[9] Of the 301 section members contacted, 66 responded for a rate of almost 22 percent. Since PRSA members reflect only a portion of the population of investor relations specialists, the findings provide only a "snapshot of corporate financial communications" at the time of the study (Ferris and Newman, 1991, p. 18).

[10] Of the 66 survey responses tabulated, 25 (38%) came from members of counseling firms and 41 (62%) from corporations. Areas of specialty were: communications, corporate affairs, corporate relations, external relations/strategic services, marketing, public relations, media relations, financial communications, financial relations, press relations, and sales and financial reporting. Of the total sample, 63% reported to the "executive" office (CEO, COO, board chairman), about 20% to a boss in "communications," 9% to "finance" and 9% to "other" (p. 20).

[11] Though he is on point with his call for coordination, the remainder of Johnson's argument is problematic because of his belief that "investor relations and other public relations functions are all forms of marketing" (p. 28). On the contrary, as Ehling, White, and Grunig (1992) maintain, "marketing and public relations serve different functions and ... public relations cannot be excellent if it is subjugated to the marketing function" (p. 357).

At about the same time, managers outside public relations were also citing the importance of a coordinated effort in investor relations. But while Morrissey (1990) argued for investor relations programs being "an integral part of a corporate financial management program" (p. 9), it was his opinion that they should not be confused with a public relations or corporate communications program. He argued that "The PR approach to investor relations ... does not and should not elicit respect or serious interest from the investment community. Don't try to buy the affection of the financial community. ... Don't over-promote your company" (p. 45). Likewise, another investor relations manager argued that "investor relations is very different from public relations, because investor relations reps must know the balance sheet and all financial aspects of the company, and be able to relate this to stockholders and analysts" (Calise, 1991). Again, public relations practitioners are perceived to be merely publicity agents.

The foregoing beliefs about public relations may result from a lack of understanding by many of the four models of public relations practice. Apparently, Morrissey (1990) and Calise (1991) believe that the publicity model is the only one used. However, public relations textbooks say otherwise. For example, Wilcox, Ault, and Agee (1992) emphatically state that "Investor relations work has no room for publicity hype and verbal sleight-of-hand" (p. 360). Likewise, Baskin and Aronoff (1992) warn that "'fluff and puff' will quickly sour an analyst's view of a corporation" (p. 328). Clearly, the investor relations industry agrees ("Coups," 1993; "Picks and pans," 1992; America's best," 1991; "The six most," 1990; "The best and," 1989).[12]

Research Questions

Using the preceding conceptualization of critical issues in the practice of investor relations and public relations, some broad research questions were formulated for this study.

---

[12] Because a "publicity model" of investor relations apparently persists, Coyle (1989) explained to a 1989 Investor Relations Seminar that publicity is the lesser of two models of investor relations practice. He said that the "Publicity Focus" investor relations model drives an inefficient market, reflecting the traditional opinion that "'stocks are sold, not bought.' Publicity, therefore, is believed to create demand and increase retail and institutional buying" (pp. 440-441). On the other hand, the more modern "Audience Focus" investor relations model drives an efficient market, reflecting the contention that "the market is inherently efficient and not responsive to artificial influences, such as business publicity. Thus even expenses for corporate media relations, slick annual reports and extensive road shows can be wasteful ... if not counterproductive" (p. 441). Coyle (1989) preferred neither model, and instead advocated an "integrated" IR effort that calls for CEOs to "adopt tailored strategies befitting their individual knowledge, goals and industry rank" (p. 441).

How are investor relations programs structured in Florida's top public companies? Does the chief executive officer recognize the elements that contribute to excellence in investor relations? Does the chief executive officer recognize investor relations as a public relations activity? Whom do chief executive officers seek out for leadership of investor relations programs, and what characteristics do the CEOs determine are important for these persons?

METHODOLOGY

Funding Source/Researcher Relationship

A private firm, Investor Relations Consultants, Inc. of Clearwater, FL,[13] helped fund this study with a sponsored research grant to the University of South Florida that was used to hire a graduate research assistant and to pay for printing, mailing, and other direct costs associated with a pretest and with the actual survey. One of the firm's principals, who has master's degrees in journalism and business administration, assisted the researchers in formulating questions for the survey. At the conclusion of the study, the researchers presented the consulting firm principals with a copy of the aggregate results of the study and answered specific methodological questions. As promised in the cover letter to survey respondents, specific information in the completed survey questionnaires remain the confidential property of the University of South Florida, and as such, will not be shared with those who helped fund the research nor with any others outside the research project staff.

Sample

The target population of this study was that group of chief executive officers of the 250 largest non-banking public companies in Florida. The list of companies was compiled by *Florida Trend* ("250 public," 1993), the state's leading business magazine, using information from Standard & Poor's Compustat Services Inc., other business listings, and public documents (p. 44). The magazine has listed the state's largest public companies for the past 24 years.

---

[13] The firm was founded in 1971, and offers counseling on investor relations issues, regular contact with analysts, brokers, money managers and investors, and media relations. Both principals in the consulting firm are accredited members of the Public Relations Society of America (PRSA) and are also members of the National Investor Relations Institute (NIRI).

The Questionnaire

An eight-page questionnaire was used to collect data on how CEOs view and handle investor relations. To make it as easy as possible for busy executives to complete the questionnaire, potential questions were rejected if the answers required either calculations or information that the executive might not routinely know. All but one of 171 items used either a check-off process or a 7-point Likert scale. The exception asked the CEO for a general description of the company's main line of business.[14]

Questions were based on the literature reviewed in the *Conceptualization* section of this paper; on a description of how companies measure their performance against business leaders, a practice known as "benchmarking" (Weisendanger, 1993); and on some questions used in previous investor relations surveys. Three general areas were covered.

(1) CEOs were asked for their views on managing the release of information to employees and to publics outside the company. CEOs were asked to choose statements that described their company as "working best" when information was handled in a variety of specific ways.

(2) CEOs were asked about the size of their companies and company structure through such questions as (a) who supervised and participated in investor relations activities; (b) whether the company had separate departments for areas such as public relations, marketing, and legal affairs; (c) how much time was devoted to investor relations; (d) when the company began operation and what is a general description of the business; (e) information about stock, revenue, and income; and (f) whether analysts regularly report on the company. Additionally, the CEOs were asked to report their gender, age, education and ethnic background.

(3) CEOs were asked for their views on the qualifications and methods for handling investor relations, and on possible results of investor relations activities. Subject matter included (a) qualifications considered necessary to carry out investor relations, (b) components of the company's investor relations program, (c) expectations for and outcomes from investor relations,

---

[14] In the pretest version of the questionnaire, the CEO was asked to fill in the company's Standard Industrial Classification (SIC) Code. Only one pretest respondent included the code, while other respondents provided a description of the business such as "restaurants." These findings made it clear that CEOs could not recall easily, if at all, such specific information. Therefore, in the final version of the survey instrument, CEOs were simply asked to "list a GENERAL CATEGORY for you company's main line of business (*e.g.*, construction, agricultural products, manufacturing, or financial services)."

(d) the most effective ways to conduct investor relations, and (e) reasons for using or not using a consultant.

Conducting the Survey

The questionnaire was pretested with the CEOs of the 30 top performing public companies in the Greater Columbus, Ohio area.[15] As a result, minor changes were made in layout and in the wording of some questions to avoid potential misunderstandings. The pretest results prompted some concern because three of the dollars included as incentives to complete the questionnaires[16] were returned without completed surveys. A note with one returned bill said the money would not pay for the executive's time in completing the survey. The returned bills indicated that the incentive had apparently offended some CEOs.

Studies of CEOs pose many special problems. Pincus, Rayfield and Cozzens (1991) reported response rates of 14% and 16% from two studies using mail questionnaires to survey Fortune 500 CEOs (p. 15). These authors said low response rates are realistic because of the many demands on the executives' time. Further, they reported that many Fortune 500 companies do not respond to surveys because they are so frequently targeted by researchers.

To increase response, the researchers first sent CEOs a notification letter that they would receive a survey a week later. That letter and the one sent with the questionnaire reflected Hansen's (1980) finding that professionals were more likely to complete a survey they found interesting. Both the notification and the cover letters emphasized that the study might produce a better understanding of the most effective ways to handle investor relations.

Each questionnaire was mailed with a postage-paid return envelope. A numbered postcard, as suggested by Fowler (1993, p. 47), was also included. The postcard allowed the CEO to notify the researchers that the completed questionnaire had been returned without compromising the anonymity of the individual responses on the unidentified survey instrument. The cover letter explained that the CEO could avoid follow-up mailings by returning the postcard, and could also use the postcard to request a copy of the survey results.

---

[15] This group of companies was selected because of its similarity to the target population of the top 250 non-banking public companies in Florida. The distance between the two states also made it unlikely the pretest group would have contact with the target group of companies.

[16] Respondents were invited to "have a cup of coffee while you complete our survey."

A second mailing three weeks after the first to CEOs who had not yet returned the postcard included a dollar as an incentive to complete the survey. The cover letter in the second mailing offered to buy the busy CEO "a cup of coffee, or a soda" in return for taking time to complete the survey. The money was included in the second mailing, rather than the first, because Furse, Stewart and Redos (1981) concluded that some people will respond to surveys even if they do not get an incentive. This makes the timing of cash incentives less important than actually including an incentive in one of the mailings. In the present study, the second notification doubled the number of completed questionnaires.[17]

The Responses

Five of the original 250 target companies identified by the *Florida Trend* report ("250 public," 1993) were out of business when questionnaires were distributed in January and February of 1994, so the actual target population of this study was the CEOs of 245 Florida companies. There were 78 questionnaires returned as of June 1994, for a preliminary response rate of approximately 32 percent. Two of the questionnaires were not coded for analysis because demographic information was incomplete, leaving 76 usable questionnaires for the present analysis. This resulted in a usable response rate of 31 percent.

Three items can be used as rough indicators that the 76 usable questionnaires fairly represent the targeted 245 companies.

The *first item* is company revenue and income. The researchers constructed 10 categories each for revenue and net income based on figures in *Florida Trend* ("250 public," 1993, pp. 52-55). Each category included approximately 25 of the original 250 companies. For the 76 usable questionnaires, a representative distribution would have been 7.6 companies per category. Though completed questionnaires represent all segments of the target population, the distribution is uneven. For example, the revenue categories contained as few as three companies and as many as 11 companies. Four revenue categories almost matched a representative distribution with seven or eight companies. A similar pattern existed in the income categories.

---

[17] Problems with the dollar incentive were also apparent in the second mailing. Seven dollars were returned, including one with a note saying the researchers had an ethical conflict because the results will be shared with a consultant. This perception may have resulted from a typographical error in the cover letter to the second mailing, which partially garbled the explanation that only aggregated data will be publicly available, as is standard in social science research. An alternate explanation is that the CEO in question simply misunderstood the phrase. Another dollar was returned by a CEO who declined to participate, one was returned in an envelope with the survey cover letter, and one was returned in an envelope by itself. A dollar was also returned by a CEO who had responded to the first mailing but apparently did not send in the postcard, and another by a CEO's secretary saying the company's stock was not publicly traded. A seventh dollar was returned with a fully completed questionnaire.

The *second item* is each company's main line of business. Ten general categories were developed based on the targeted group of 245 companies. They included manufacturing, services, communications, financial services, agriculture, engineering and technology, utilities, construction and development, retail, and wholesale and distribution. Again, companies represented by usable questionnaires appeared in all 10 categories, but their distribution did not always match the targeted group. For example, there are 42 manufacturing firms, but only 14 of the usable responses were in that category. There are 20 financial services companies, and 10 sent usable questionnaires. And four of the six utility companies provided usable questionnaires.

The *third item* is female CEOs, who were identified by examining names on the final list of 245 companies. Six of those names appeared to be female; four female CEOs returned usable questionnaires.

FINDINGS[18]

Company Profiles

About 80 percent of the 76 Florida non-banking public companies represented in this study began operation after 1960. Almost half of the companies in the study either began doing business or made their initial public stock offering in the 1980s.[19] Another quarter of the companies made their first stock offering within the last three years. Only about a quarter of the companies first offered stock before 1980. ***Table 1*** presents a summary of the companies.

---

[18] As with any mail survey, the researcher is never "100 percent certain" about who actually completed the questionnaire. In this study, the researchers received a personal letter from the CEO of one of the largest non-banking public companies in Florida, which also happens to be one of the nation's largest companies. On the other hand, the researchers did receive a completed questionnaire that had attached to it the business card of an executive vice president in the company. Yet it is reasonable to assume that if a CEO would turn to a top executive for completion of this survey, it would be because that person was expected to reflect the views of the chief officer.

[19] A reasonable explanation for this is that the companies were taking advantage of the *bull market* that existed at this time.

Table 1
Company Demographics

	Before 1960	*1960-69*	*1970-79*	*1980-89*	*1990-93*	*N*
Company began operation	16	10	12	34	4	76
Initial public stock offering	7	7	5	38	18	75

The median total revenue of the 76 companies is approximately $31 million, with 24 companies (32%) earning over $100 million in the most recent four reported quarters. The company's net income for that period ranged from a $300 million loss to $600 million earnings. Eighteen of the companies (24%) reported a loss, while 58 (76%) reported earnings.[20]

The stock exchange used by each company is reported in ***Table 2***.

Table 2
Stock Exchange

Stock Exchange	*Number of Companies*
New York Stock Exchange	15
NASDAQ National Market System	31
American Stock Exchange	9
NASDAQ Small Cap Issues	12
Pink sheets or Bulletin Board	7
Pacific Securities Exchange	2
	N = 76

Fifty companies offer their stock in the over-the-counter market, which includes the NASDAQ exchanges and Pink Sheets. This market is characterized by smaller firms with better financial performance than companies listed on the New York Stock Exchange (Kolb, 1992, p. 114). However, the over-the-counter market also is characterized by higher risks.[21] Another 24 companies are traded on the New York Stock Exchange, or the American Stock Exchange. The

---

[20] One CEO did not answer this question.

[21] The over-the-counter (OTC) market is made up of many traders in diverse locations. It does not rely on a central trading place, nor does it use specialists, as do organized exchanges. Though this is a secondary market, and firms traded here tend to be significantly smaller than those on the New York Stock Exchange, it does not necessarily follow that "lesser quality" companies are congregated here. For example, Apple Computer is traded OTC.

New York Stock Exchange sets minimum requirements for earnings, assets and number of shareholders. The American Stock Exchange is the largest regional exchange, but its size and importance have been declining since 1973 (Kolb, 1992, pp. 106-113). The remaining two companies are traded on another regional exchange, the Pacific Stock Exchange.

More than half of the CEOs reported that investor relations analysts regularly write reports on their companies. It is highly desirable to have such reports since this is how companies generate new business.

CEO Profiles

Virtually all the 76 CEOs who responded are men; as noted earlier only four are women. Almost two-third of the CEOs are middle aged, from 41 to 60 years of age. A quarter is 61 or older, and the remainder is 20 to 40 years old.

Eighty percent of the CEOs (N = 74) listed their ethnic background as white. The only other category selected was "Native American or Alaskan Natives."[22]

---

[22] The 13 respondents who selected this category were all male, with one in his 40s, seven in their 50s, and five in their sixties. Though two of the respondents had only a high school education, two others had some college, five had bachelor's degrees, and four had master's degrees.

Because our survey instrument requested "ethnic background" from respondents, we unintentionally entered into a highly controversial area, which became clear when we did further research in an attempt to interpret this initially puzzling finding. We learned that the wording we chose for this demographic variable (which was replicated from the current Graduate Record Examination application forms) may very well have meant something different to each of our respondents. Contemporary research in this area demonstrates that ethnicity is *not* something "objective," but rather, is what the individual *thinks* it is.

Although 20 percent of the CEOs in this study are probably not American Indians, whites sometimes describe themselves as natives of America when asked about their ethnic background. Such descriptions have been reported by researchers analyzing census and survey data (Alba & Chamlin, 1983; Lieberson, & Waters, 1993). The 1990 Census listed the population of Florida as 12, 937,926 people (U.S. Department of Commerce, 1992). Most of them, 10,755,698, were white; the largest minority groups were 1,755,958 Blacks and 1,555,031 Hispanics. Only 42,619 American Indians or Eskimos were reported living in the state. Therefore, it seems unlikely the sample of CEOs -- which could be expected to include mostly white males -- would include American Indians but no Blacks nor Hispanics.

Race in the United States traditionally has been viewed as genetically based and therefore unchanging. Other cultures, such as Latin America, view race as flexible regarding it as a characteristic stemming from variables such as economic position, education or physical appearance (Rodriguez & Cordero-Guzman, 1992, p. 523-526). However, the traditional view of unchanging ethnic identification among whites has been challenged by analyses of social survey and Census data. Alba and Chamlin (1983) found that increasing numbers of white Americans who trace their ancestry to more than one European nation were choosing to identify instead with a single ethnic group. They reported in a footnote that 52 native-born whites identified their ancestors as coming from "America" in responses to the NORC General Social Survey during 1977, 1978 and 1980 (p. 241).

A subsequent analysis of data from the 1980 Census (Lieberson & Waters, 1993) examined "simplification, inconsistency, and instability in the ethnic origins reported" (p. 421) by whites. The analysis, which focused on how

One-half of the CEOs (N = 75) reported holding a bachelor's degree or having some graduate courses. More than one-third had advanced degrees (master's, Ph.D., or medical or law degree). Approximately 10 percent had not completed college or had only a high school diploma.

CEOs Understanding of "Excellence" in Communications

One of the key marks of excellence in companies noted by Peters and Waterman (1982) is "a vast network of informal, open communications" that promotes "organizational fluidity" enabling excellent companies to "get quick action" in "rapidly changing times" (pp. 121-122).

Two sets of questions tapped the perceptions of CEOs in the present study regarding excellence in communications **[SEE APPENDIX, Questions 1a, 1b, 1c, 1d]**. The first set concerned how information is handled internally among employees and managers. CEOs were asked to describe when their company "works best." The responses are contained in ***Tables 3*** and ***4***.

Table 3
Decision making by employees and managers

***Statement*:** **My company works best when...**	***Percent***
...managers control and guide how employees do their jobs.	**1.32%**
...managers are in charge, but employees make some decisions about how to do their jobs.	**35.53**
...managers and employees make decisions together about how employees do their jobs.	**42.10**
...managers set broad goals and let employees decide how their jobs should be done to reach those goals.	**21.05**
	100.00%

N = 76

---

parents classified their children, noted previous research that found "a substantial segment of the white population reports no specific ethnic origin, describing themselves either as of '"American"' ancestry or failing to answer the origin question..." (p. 423). Lieberson and Waters (1993) noted that claiming to be white in the United States is a largely voluntary process, and conceptions of ethnic origin are influenced by factors such as assimilation or intermarriage. They found that gender, marital status and age are among the factors influencing changes in ethnic identification among whites. During the 1980 Census, parents reported 25 percent more children as having "American" ancestry than would be expected given the ancestry of the parents. The authors concluded that "There is no reason to view this response as simply a technical census error. Rather, it appears to reflect a growing segment of the population whose ethnic ancestry is simply 'American'" (p. 443.) The researchers argued that a new model of ethnicity as defined by social rather than biological processes should be adopted (p. 447.)

In light of these studies, the high number of CEOs in the current study who describe themselves as "Native American" seems less unusual. Although the possibility that confusion or a desire to register a protest played a part in this result, it also seems likely that some executives simply regard themselves as natives of the United States.

Table 4
Telling employees about the company

Statement. **My company works best when...**	***Percent***
...employees are only given information about company operations that they need for their jobs.	**0.00%**
...employees are given some information about operations in addition to specific information needed for their jobs.	**29.33**
...it gives employees a lot of information about operations in addition to specific information needed for their jobs.	**49.33**
...it gives employees virtually any information that is available about operations.	**21.33**
	100.00%

N = 75

The respondents tended to reject tight controls on decision making and information in favor of some employee participation. More than three-quarters of the respondents fell in the middle range of openness in making information and autonomy available to employees, and most of those agreed that broad employee participation helps their companies. About one-fifth of the respondents agreed that employees should work in partnership with management.

The second set of questions concerned making information available to publics outside the company. Results are in ***Tables 5*** and ***6***.

Table 5
Talking to publics outside the company

Statement. **My company works best when...**	***Percent***
...we make public only information that will sell our products and/or help our public image.	**9.33%**
...we make public some information in response to public concerns, but limit that information to facts about our products and/or our image.	**24.00**
...we respond to a variety of public concerns by routinely releasing relevant information, even if the information is not about our products and/or our image.	**18.67**
...even if there are no public concerns, we release information about our operations as routinely as we release information about our products and/or our image.	**48.00**
	100.00%

N = 75

Table 6
Using public relations

Statement. **My company works best when...**	***Percent***
...we use public relations primarily to develop a good company image.	**11.11%**
...we use public relations to make our point of view available to interested parties, and to develop a good image.	**26.39**
...we integrate public relations into our business by trying to understand and respond to public concerns.	**26.39**
...we use public relations as part of an ongoing effort to be a good corporate citizen.	**36.11**
	100.00%

N = 72

Respondents were more conservative about dealing with publics outside their companies. About 10 percent restrict external releases of information, targeting relatively narrow goals of selling products or creating a good image. One-quarter of the respondents release information in response to specific concerns raised by interested parties, but only if it helps the company image. However, almost two-third of all respondents agree with more open descriptions of external release of information. The largest single grouping is in the most open category -- more than one-third of the CEOs regard public relations as part of being a good corporate citizen.

Organizing Investor Relations

To determine the relationship between those conducting investor relations and company structure, the CEOs were asked if their companies had separate departments for various organizational functions. The results are presented in ***Table 7***.

Table 7
Company departments

Department	*Response*
Financial affairs	**54**
Marketing	**51**
Legal affairs	**31**
Investor relations	**29**
Public relations/corporate communications	**21**
Advertising	**10**
None of the above	**11**

N = 76
(Multiple responses allowed)

More than two-thirds of the companies have a financial affairs or marketing department, almost twice the number that have a separate department for investor relations. Only one-quarter of the companies consider public relations worthy of a separate department. Additionally, 14 percent of the companies do not have separate departments for any of the listed functions.

Two other questions asked the CEOs who supervised and who primarily conducted investor relations in their companies. The results are presented in ***Tables 8*** and ***9***.

Table 8
Who supervises release of information affecting stock prices

Supervisor	*Response*
Chief financial officer	**43**
Chief executive officer	**43**
Chief legal officer	**13**
Chief public relations officer	**10**
Chief investor relations officer*	**2**
Chief operating officer*	**1**
Director *	**1**
V.P. corporate planning*	**1**
V.P. corporate relations/communications*	**1**
Other, not specified	**1**

** Description given by respondent*

N = 76
(Multiple responses allowed)

Table 9
Who conducts investor relations activities

Department/Executive	*Response*
Financial affairs department	**48**
Investor relations department	**27**
Chief executive officer	**17**
Outside consultant	**11**
Legal affairs department	**10**
Public relations department	**9**
Marketing department	**5**
Other, not specified	**3**

N = 76
(Multiple responses allowed)

Most of the CEOs who responded regard investor relations as a function requiring supervision by senior management, with more than half making it the responsibility of the chief financial officer or the CEO. Although more than one-third of the companies have an investor relations department to carry out this function, only two CEOs reported that the chief investor relations officer supervises this function in their companies.

The CEOs also tend to view investor relations as primarily a financial function instead of a public relations function. Only 13 percent said the chief public relations officer is involved in supervising investor relations, which is fewer than the number of CEOs reporting the chief legal officer as a supervisor. Public relations also ranks well behind CEOs, legal affairs departments, and consultants when it comes to carrying out investor relations in these companies.

The fourth set of questions asked the CEOs how often investor relations activities occur in their companies. Almost three-quarters (N = 72) said investor relations is a daily or weekly activity. The remainder carry out investor relations on a monthly or quarterly basis. Approximately two-thirds (N = 70) selected the equivalent of two normal work days or less as the amount of time devoted to investor relations each week. The remainder said it took more time, with about 13 percent saying investor relations is a full-time job.

Conducting Investor Relations[23]

The CEOs were asked to rank the importance of various qualifications for handling investor relations on a 7-point scale **[SEE APPENDIX, Question 3]**. Results are given in ***Table 10.***

Table 10
Importance of qualifications for handling investor relations

Qualification	*Mean (7-point scale*)*
Knowledge of finance, capital markets	**5.93**
Writing financial news releases	**5.91**
Writing, speaking skills	**5.52**
Knowing analysts, professional investors	**5.17**
Public relations knowledge	**4.97**
Investor relations experience	**4.63**
Experience in major financial center	**3.51**
Experience as stockbroker, investment banker	**3.07**

**** 1 = not very important, 7 = very important.*** ***N = 76***

The CEOs consider understanding finance, personal acquaintance with analysts and investors, and communications skills the most important qualifications for the job. Public relations knowledge and previous experience are somewhat less important, while experience in a financial center or a job that actually involves trading stocks is not very important.

The conduct of investor relations was examined from two perspectives. One set of questions asked respondents to use a 7-point scale ranking how often certain activities occurred **[SEE APPENDIX, Question 5]**. The results are presented in ***Table 11***.

---

[23] The authors are presently reviewing more complex statistical analyses of these data that they will report in a subsequent article.

Table 11
Ranking the frequency of investor relations activities

Activity	*Mean (7-point scale*)*	*N*
Interacting with top management	**6.62**	**74**
Working with industry analysts	**5.11**	**75**
Finding new, credible analysts	**4.45**	**74**
Interacting with mass media	**4.34**	**74**
Using "benchmarking"	**4.28**	**74**

**** 1 = seldom, 7 = frequently***

N = Total Responses (76) minus "Not Applicable" responses

Interaction with top management is the most frequent activity for those conducting investor relations. Working with industry analysts is another activity that occurs quite often. Attempts to find new analysts considered credible by investors and interacting with the mass media are not infrequent, but they take substantially less time than the other activities. CEOs reported that their companies spend the least time finding ways to improve by comparing their performance with other companies ("benchmarking")[24] (Weisendanger, 1993).

Respondents were also asked to rank on a 7-point scale the most effective ways of publicizing investor relations information **[SEE APPENDIX, Question 6]**. These results are presented in ***Table 12***.

Table 12
The effectiveness of investor relations techniques

Technique	*Mean (7-point scale*)*	*N*
Meeting individually with analysts, brokers, investors	**6.32**	**74**
Addressing industry or analyst and brokerage groups	**5.50**	**74**
Inviting people to company-sponsored meetings	**4.85**	**72**
Media relations program	**4.32**	**73**
Cosponsoring meetings with analysts, brokers, investors	**4.18**	**71**

**** 1= strongly disagree, 7 = strongly agree***

N = Total Responses (76) minus "Not Applicable" responses

---

[24] The term "benchmarking" was defined on the survey instrument as "finding ways to improve your company by comparing your overall performance with that of other companies."

The CEOs regard individual meetings with analysts, brokers, investors and others interested in company stock as the most effective way to carry out investor relations. Meeting with groups of analysts or brokers is also considered highly effective, although substantially less so than individual meetings. Inviting people to company-sponsored meetings is considered only somewhat effective. A media relations program and cosponsoring meetings with other companies are considered marginally effective for investor relations. A small number of respondents said their companies do not use these techniques at all.

Viewing the Results of Investor Relations Efforts[25]

Two sets of questions concerned outcomes from investor relations activities. The first question asked respondents to rank the importance of possible outcomes on a 7-point scale **[SEE APPENDIX, Question 7]**. Results are presented in ***Table 13***.

Table 13
The importance of results

Result	*Mean (7-point scale*)*
Earning a reputation for honesty	**6.80**
Keeping investors well informed	**6.42**
Meeting disclosure requirements	**6.18**
Getting investors interested in the company	**6.16**
Good relationships with analysts reporting on the company	**6.16**
Good communications with the public	**6.09**
Generating analyst interest in the company	**6.01**
Increasing the price of stock	**6.03**

**** 1 = not very important, 7 = very important.*** ***N = 76***

Although the CEOs consider a reputation for honesty to be the most important result from investor relations, they tend to consider all the outcomes that were listed as highly important. Most of those outcomes may be classed under the general heading of good communications. The exception, increasing stock prices, is considered almost as important as the others.

---

[25] The authors are presently reviewing more complex statistical analyses of these data that they will report in a subsequent article.

227

The second set of questions about outcomes asked respondents to rank the effectiveness of techniques for ensuring that investor relations efforts achieve their goals **[SEE APPENDIX, Question 8]**. The results are presented in ***Table 14***.

Table 14
Ensuring goals are reached

Method	*Mean (7-point scale*)*	*N*
Direct involvement of top management	**6.22**	**73**
Personal contact with analysts for informal feedback	**5.73**	**70**
Reading analyst reports for information on company	**5.38**	**71**
Monitoring institutional stock purchases	**4.89**	**73**
Monitoring the price/earnings ratio of stock	**4.69**	**72**
Surveying analysts about investor relations efforts	**3.51**	**61**
Pursuing awards for investor relations efforts	**3.03**	**71****

**** 1 = not very effective, 7 = very effective.***
***** 4 "Not Applicable" responses, 1 nonresponse***

N = Total Responses (76) minus "Not Applicable" responses

Not surprisingly, CEOs said that top management's involvement in setting expectations for investor relations is the most effective way to ensure that goals are met. Gathering informal feedback about investor relations from analysts is also considered very effective, as is reading analyst reports for information about the company. Monitoring institutional stock purchases or the price earnings ratio are considered only somewhat effective.

About 80 percent of the CEOs regard formal surveys of analysts as applicable for judging the investor relations efforts of their companies. However, they do not consider the technique to be very effective. Twenty percent of the respondents reported that the question about formal surveys was not even applicable to their companies. There was even less enthusiasm from the CEOs for pursuing awards from analysts or financial communications specialists, although more CEOs consider this technique applicable as compared with formal surveys of analysts.

Use of Consultants

The CEOs in this study were asked one set of questions if they used a consultant and a different set of questions if they did not use a consultant **[SEE APPENDIX, Questions 4A, 4B]**.

About one-third of the CEOs in this study responded to statements about why consultants are helpful. Results are presented in ***Table 15***.

Table 15
Why consultants are used

Reason for using a consultant	*Mean (7-point scale*)*
As supplement to staff skills and knowledge	**5.89**
Consultant has skills, experience staff lacks	**5.33**
Consultant experienced at handling difficult problems	**5.19**
Not worth paying or training a staff member	**4.82**

**1 = strongly disagree, 7 = strongly agree* *N =27*

These CEOs agreed with all the statements about using consultants in varying degrees. They gave the most support to statements that consultants supplement staff skills and have experience the company's staff lacks. The consultant's experience handling difficult problems was also important. This subset of CEOs showed the least support for a statement that investor relations does not take enough time to pay or train a staff member for the job.

The remaining approximately two-thirds of the CEOs responded to statements about why consultants are not used. Complete results are presented in ***Table 16***.

Table 16
Why consultants are not used

Reason	*Mean (7-point scale*)*
Only staff can issue public statements fast enough	**5.51**
Only staff has needed expertise	**5.35**
Hiring a consultant costs too much	**5.33**
Only staff understands company well enough	**5.23**
Consultant would not do job effectively	**4.19**

**1 = strongly disagree, 7 = strongly agree* *N = 48*
1 respondent did not mark all statements.

CEOs who do not use investor relations consultants agreed with all these statements, also in varying degrees. They gave the most support to statements that consultants cannot respond as fast as staff to important investor relations issues requiring public statements. However, these CEOs also had a high level of agreement with statements that consultants lack expertise about their company, hiring a consultant costs too much, and only the staff understands the company well enough to do the job. This subset of CEOs is more neutral toward the statement that consultants would not be able to do the job effectively.

DISCUSSION

Background

Though a variety of theoretical perspectives could be used to analyze the findings in this study, the researchers chose to build upon the guidance provided by the general excellence in public relations theory addressed in the IABC excellence study (*Excellence*, 1992), and by the standards of excellence in investor relations demonstrated by research specific to that discipline. In relationship to the latter, two recent publications lend credence to the view of investor relations as more of a financial than a public relations discipline.

A 1994 report of a year-long set of discussions by 30 Harvard University professionals in corporate governance, investment and corporate policy concludes that corporations can benefit from practices that "bring corporations into closer contact with their investors and permit a better flow of information to occur" ("Improving relationships"). Some of the guidelines for improving the communication process provided by these discussions are that:

> Investor input should be channeled to senior corporate management, including the CEO and corporate board members ... so it can be incorporated into debates about future policies.
>
> Corporate officials and institutional investor personnel engaging in communications should be senior personnel.
>
> The first focus of enhanced communications should be a comprehensive, modern investor relations process. Includes ongoing individual meetings with analysts, institutional investors and other shareholders, group presentations, daily phone contact, and formal feedback and reporting processes.
>
> Appoint a full-time, high-level individual to be a shareholder ombudsman -- to meet regularly one-on-one with major shareholders and members of the analyst community and communicate findings back to the CEO, other senior management members and the board. ("Improving relationships," 1994)..

The subject matter of the Harvard guidelines is fairly accurately reflected in the excellence in investor relations questions posed to the CEOs in the present study **[SEE APPENDIX]**.

Furthermore, it is only realistic to review what are expectations in the current job market regarding the qualifications for and responsibilities of an investor relations director. A job search by a major national public corporation serves as an illustration ("Director," 1994). The advertisement for a "Director of Investor Relations" to join the company's "Finance Group" contained a description of duties and qualifications for the position that reflect the questions in the survey instrument **[SEE APPENDIX]** as well as industry expectations **[SEE *Characteristics of "Excellence" in Investor Relations* earlier in this paper]**.

> In this position you will: maintain and improve relations and communications with share owners, the investing public and members of the financial community; establish and maintain a liaison with investors/shareholders to provide them with a comprehensive, current picture of the Corporation; plan and coordinate all aspects of communications with the financial community, including investor/shareholder meetings; research relevant business developments within the industry; monitor ownership trends and disseminate financial information; direct/coordinate preparation of all reports to share owners including the annual report; coordinate reporting of earnings to investors, share owners and employees; monitor governance issues and recommend strategies to comply. You will also speak for management and serve as a central source of disclosable financial information needed by investors and will assist in matters relating to the Stock Exchange and SEC.
>
> The ideal candidate will hold a college degree (CPA) in Communications or Accounting/Finance, a Masters Degree in Finance or Investments is a plus. We also require: 3 to 5 years experience in Investor Relations and Communications; thorough knowledge of the full range of federal and state investor laws; ability to apply investor relations and financial knowledge to business issues and decisions; as well as strong communication, presentation and computer skills.

The preceding description of what the "ideal candidate" is expected to possess makes it clear that business training and experience are the major qualifications for that investor relations director. The additional requirement for "communications" training and experience seems to be limited to very basic interpersonal communication skills and skills in computer communications.

CEO Perceptions in this Study

There are indications that the CEOs in this study consider communication with some investor relations publics more important than others. Contact with analysts, brokers and investors earned consistently high rankings. Personal acquaintance with members of these publics, working directly with them or addressing their meetings, and getting their feedback through direct contacts or reading reports all earned means of more than 5.0 on a 7-point scale. Outcomes from investor relations activities involving analysts and investors earned even higher rankings, with means of more than 6.0 on a 7-point scale, as did the effectiveness of individual meetings with analysts, brokers, investors or potential investors. In contrast, interacting with the mass media, inviting people to company-sponsored meetings, cosponsoring meetings with other companies and a media relations programs all earned means of less than 5.0 on the 7-point scale.

These general categories are an imperfect reflection of Miller's (1992) list of the 16 influential financial groups addressed by investor relations efforts **[SEE *Definitions* earlier in this paper]**. However, the findings seem to suggest the CEOs may regard as most useful those investor relations efforts that are targeted to specific publics. Further research should be conducted to determine which specific publics are considered most and least important by CEOs.

Some findings seem to support the earlier studies showing that investor relations is not a high priority for public relations departments (Prout, 1991), and that investor relations is managed as a mix of corporate finance and public relations (J. Grunig & Hunt, 1984). Most striking is the dominance of CEOs and financial affairs executives and departments in supervising and conducting investor relations, which supports studies by Lusterman (1987) and McGrath (1974) that showed most investor relations programs did not report to a public relations officer. This circumstance may also result from the fact that only a quarter of the CEOs responding reported that their companies have a separate public relations department, with only about half of those companies having a public relations executive supervising investor relations. Only about a third of the companies with public relations departments use the public relations department to carry out investor relations.

One important consideration in the assignment of public relations responsibilities in an organization is the size of the company involved. A survey respondent whose company's annual revenues were under $20 million addressed this issue succinctly:

> Generally Small Cap companies have to experiment with public relations. Their performance is impacted heavily by the awareness of management of the brokerage community and its members. Importance of positive information and personal interaction with brokers cannot be stressed enough. Small Cap companies rarely catch the eye of institutional or upper echelon brokerage houses.

This statement is also indicative of the small company investor relations challenges discussed by Neilson (1990).

The importance that CEOs assign to their involvement in investor relations may support earlier findings that the top executive wants to be the organization's primary external spokesperson (Pincus, Rayfield & Cozzens, 1991). In the present study, CEOs reported that they were just as likely as chief financial officers to supervise the release of information affecting stock prices. However, this finding must be tempered by the knowledge that most of the companies in the present study are not among the Fortune 500 companies studied by Pincus, Rayfield & Cozzens (1991), and as such, may have more direct involvement of the CEO in investor relations activities because of fewer staff and the need for more hands-on participation by the top executive. This reflects McGrath's (1976) conclusion about tasks performed by CEOs of smaller companies.

The importance given to contact with analysts, brokers and investors, along with the means of more than 6.0 on a 7-point scale for all possible outcomes from investor relations, suggest that the CEOs agree with the importance of maintaining openness to the "investment community" ("The best and," 1989, p. 58). The findings here also seem to support the *Institutional Investor* assertion that attending analysts meetings is important ("The six most," 1990). The CEOs gave addressing meetings of industry or brokerage and analysts groups a mean of 5.50 on a 7-point scale, the highest ranking for three types of meetings cited in the questionnaire. The other meetings, those sponsored by companies and cosponsored with others, earned means of less than 5.0 on a 7-point scale. But meeting individually with analysts, brokers, and investors ranked highest of all, with a mean of 6.32.

The CEOs tend to conduct employee relations according to at least three of the standards of excellence summarized by J. Grunig (1992b). Most of the CEOs favor giving employees more, rather than less autonomy. They also tend to favor decentralizing decisions by giving employees some participation in decision making. The CEOs favor collaboration and openness, tending to favor giving employees more rather than less information about the company.

However, the CEOs are less inclined toward excellence in communicating with publics outside the company. J. Grunig (1992b) says excellent organizations try to maintain close ties with constituencies outside the company. Approximately one-third of the CEOs restrict the external release of information to trying to sell products, improve the company image, and respond only to specific external concerns. These views seem in line with either asymmetrical or the one-way communication models of public relations (J. Grunig and L. Grunig, 1992). Still, most of the remainder favor as much openness as possible in communicating externally, views that are closer to the symmetrical model.

The findings in the present study seem to confirm concerns (Johnson, 1990; Ferris and Newman, 1991; Neilson, 1990) about fragmentation and a lack of coordination in investor relations programs. The large number of multiple responses to questions about who supervises and who conducts investor relations indicate that such responsibilities are spread across executives and departments in the companies represented.

The findings are inconsistent on whether the CEOs subscribe to Coyle's (1989) view that investor relations can be used to provide publicity that will increase stock sales. The CEOs consider increasing the price of company stock to be one very important outcome from investor relations, giving it a mean of 6.03 on a 7-point scale. However, although they find them to be somewhat important, the CEOs do not consider monitoring institutional stock purchases and the price/earnings ratio as the most effective techniques for ensuring investor relations goals are reached. Those techniques had means of less than 5.0 on a 7-point scale, ranking below reading analyst reports, contacting analysts for feedback, and direct involvement of top management. At the lowest end of the rankings are surveying analysts about investor relations efforts (mean is 3.51) and pursuing awards for investor relations efforts (mean is 3.03), both of which the CEOs did not find to be very effective in ensuring that investor relations goals are met.

CONCLUSIONS

The primary benefit of this exploratory study for future researchers is the insight it offers into the perceptions of chief executive officers regarding the organization of the investor relations function in public companies and its relationship to the public relations function. As practitioners and educators alike seem to agree, CEO understanding of public relations as a management function is the key to how public relations will be practiced in an organization. Thus, the present study can help lay the foundation for better understanding of how the normative view of investor relations as a part of the public relations function compares with the actual practice. Specifically, two major questions concerning the comparison between theory and practice in investor relations are answered by this study -- where does investor relations fit on a public company's organization chart, and how can it achieve excellence?

In this study, CEOs do not appear to perceive the *function of investor relations* to be a management function in the broadest understanding of that term as setting policy for the company. Instead, the perception by chief executives is apparently that this function deals with carrying out such policy. The multitude of duties as listed in the recent *Wall Street Journal* advertisement for an investor relations director reflects this attitude.

This CEO perception of the investor relations role as carrying out, rather than setting policy, parallels the distinction apparent in public relations roles in general, where a "technician" carries out the duties prescribed by a "manager." This implies that the CEOs in the present study may lack an understanding that *both* the investor relations function and the public relations function have dual role structures within them. Instead, the CEOs tend to view both investor relations and public relations as having only a single dimension -- that each function is solely technically oriented rather than also having a managerially oriented component.

Indeed, the perceptions of CEOs in the present study on the uses and functions of public relations reveal that their views are not as broad as has been depicted in normative theory. Because they define public relations in more general terms, when these CEOs were asked about the "best ways" to achieve excellence in communications, they tended to see public relations as encompassing only the one-way models of press agentry and public information, or at most, the two-way asymmetric model of obtaining feedback only to better "dress up" the same message. As argued by L. Grunig and J. Grunig (1992), it is the two-way symmetric model of public relations that focuses on relationship building and that promotes excellence in public relations and communications management.

If, indeed, investor relations *is* a part of the function of public relations, it is an extraordinarily demanding part. The present study holds multiple implications for education in public relations, focusing especially on the need to provide students with a detailed understanding of finance and mass communications law, each of which requires separate courses.

Of course, the present study is an exploratory one from which one cannot make widespread generalizations. Consequently, we recommend that the study be replicated in other states or regions to determine if there exist any geographic differences in the practice of investor relations. Clearly, more research into what investor relations activities help and do not help particular companies achieve excellence is needed, as is continued effort by researchers to bring together the theory and practice in this area of public relations.

REFERENCES

Alba, R. D. and Chamlin, M. B. (1983). A preliminary examination of ethnic identification among whites. *American Sociological Review, 48,* 240-247.

America's best IR officers (1991, August). *Institutional Investor*, pp. 85-90.

Baskin, O. and Aronoff, C. E. (1992). *Public Relations: The Profession and the Practice* (3rd ed.). Dubuque, IA: Wm. C. Brown Publishers.

The best and the brightest (1989, August). *Institutional Investor*, pp. 58-60, 63, 65-69.

Calise, A. K. (1991, February 4). Investor Relations Importance Soaring. *National Underwriter: Property & Casualty/Risk & Benefits Management*, pp. 57, 61.

Center, A. H. and Jackson, P. (1990). *Public Relations Practices: Managerial Case Studies and Problems* (4th ed.). Englewood Cliffs, NJ: Prentice-Hall.

Coyle, R. J. (1989, November 30). Investor Relations: The CEO's Choice for the 1990s. *Vital Speeches of the Day*, pp. 440-443.

Coups of the year (1993, August). *Institutional Investor*, pp. 93-96.

Cutlip, S. M., Center, A. H., and Broom, G. M. (1994). *Effective Public Relations* (7th ed.). Englewood Cliffs, NJ: Prentice-Hall.

Director, Investor Relations. A classified advertisement in *The Wall Street Journal* (1994, May 17), p. B11.

Ehling, W. P., White, J., and Grunig, J. E. (1992). Public Relations and Marketing Practices. In J. E. Grunig et al. (Eds.), *Excellence in Public Relations and Communication Management.* Hillsdale, NJ: Lawrence Erlbaum Associates.

Excellence in Public Relations and Communication Management (1992). J. E. Grunig et al. (Eds.) Hillsdale, NJ: Lawrence Erlbaum Associates.

Ferris, R. D. and Newman, R. M. (1991, October). IR Specialists Cooperate with Others in Corporate Structure. *Public Relations Journal*, pp. 18-21, 25.

Fowler, F. J. Jr. (1993). *Survey Research Methods* (2nd ed.). Newbury Park, CA: Sage.

Furse, D. H., Stewart, D. W., and Redos, D. L. (1981). Effects of foot-in-the-door, cash incentives, and followups on survey responses. *Journal of Marketing Research, 18*, 473-478.

Grubbs, L. (1984). *Chief executive officer communication in the American corporate environment*. Unpublished doctoral dissertation, University of Texas at Austin.

Grunig, J. E. (1992a). Communication, Public Relations, and Effective Organizations: An Overview of the Book. In J. E. Grunig et al. (Eds.), *Excellence in Public Relations and Communication Management* (pp. 1-28). Hillsdale, NJ: Lawrence Erlbaum Associates.

Grunig, J. E. (1992b). What is Excellence in Management? In J. E. Grunig et al. (Eds.), *Excellence in Public Relations and Communication Management* (pp. 219-250). Hillsdale, NJ: Lawrence Erlbaum Associates.

Grunig, J. E. and Grunig, L. A. (1992). Models of Public Relations and Communication. In J. E. Grunig et al. (Eds.), *Excellence in Public Relations and Communication Management* (pp. 285-325). Hillsdale, NJ: Lawrence Erlbaum Associates.

Grunig, J. E. and Hunt, T. (1984). *Managing Public Relations*. New York: Holt, Rinehart and Winston, Inc.

Grunig, L. A. (1992). Power in the Public Relations Department. In J. E. Grunig et al. (Eds.), *Excellence in Public Relations and Communication Management* (pp. 483-501). Hillsdale, NJ: Lawrence Erlbaum Associates.

Grunig, L. A., Grunig, J. E., and Ehling, W. P. (1992). What is an Effective Organization? In J. E. Grunig et al. (Eds.), *Excellence in Public Relations and Communication Management* (pp. 65-90). Hillsdale, NJ: Lawrence Erlbaum Associates.

Hansen, R. A. (1980). A self-perception interpretation of the effect of monetary and nonmonetary incentives on mail survey respondent behavior. *Journal of Marketing Research, 17*, 77-83.

Improving relationships with shareholders (1994, March 14). *Tips & Tactics: a supplement of pr reporter, 32*(3), 2 pages.

Johnson, J. (1990, April). Integrating IR and other public relations -- Large companies: Making cooperation a priority. *Public Relations Journal*, pp. 26, 28).

Kolb, R. W. (1992). *Investments* (3rd ed.). Miami, FL: Kolb Publishing Co.

Lieberson, S. and Waters, M. C. (1993). The ethnic responses of whites: What causes their instability, simplification, and inconsistency? *Social Forces*, *72*(2), 421-450.

Lusterman, S. (1987). *The Organization & Staffing of Corporate Public Affairs.* Conference Board Research Report No. 894. New York: The Conference Board.

McGrath, P. S. (1974). *Communicating with Professional Investors.* Conference Board Research Report No. 644. New York: The Conference Board.

McGrath, P. S. (1976). *Managing Corporate External Relations: Changing Perspectives and Responses*. Conference Board Research Report No. 679. New York: The Conference Board.

Miller, E. (1991). Investor Relations. In P. Lesly (Ed.), *Lesly's Handbook of Public Relations and Communications* (4th ed.) (pp. 164-213). Chicago: Probus Publishing Company.

Morrissey, M. J. (1990, January 29). Investor Relations 'Integral.' *National Underwriter: Property & Casualty/Risk & Benefits Management*, pp. 9, 42-45.

Neilson, Win (1990, April). Integrating IR and other public relations -- Small companies: Persuading top management. *Public Relations Journal*, pp. 26, 28-29).

Newsom, D., Scott, A., and VanSlyke Turk, J. (1993). *This is PR: The Realities of Public Relations*. Belmont, CA: Wadsworth.

Peters, T. J. and Waterman, R. H. Jr. (1982). *In Search of Excellence: Lessons from America's Best-Run Companies*. NY: Harper & Row.

Picks and pans of the year (1992, August). *Institutional Investor*, pp. 119-124.

Pincus, J. D., Rayfield, R. E., and Cozzens, M. D. (1991). The Chief Executive Officer's Internal Communication Role: A Benchmark Program of Research. *Public Relations Research Annual*, *3*, 1-35.

Prout, C. H. (1991). Organization and Function of the Corporate Public Relations Department. In P. Lesly (Ed.), *Lesly's Handbook of Public Relations and Communications* (4th ed.) (pp. 727-737). Chicago: Probus Publishing Company.

Rodriguez, C. E. and Cordero-Guzman, H. (1992). Placing race in context. *Ethnic and Racial Studies*, *15*(4), 523-542.

The six most improved IR programs (1990, August). *Institutional Investor*, pp. 78-80, 82-83.

250 public companies (1993, July). *Florida Trend*, pp. 43-72.

U.S. Department of Commerce (1992). *1990 census of population and housing: Summary tape file 3A, Florida, Alachua-Lee*. [Computer laser optical disk]. Washington, DC: Bureau of the Census, Data User Services Division.

Weisendanger, B. (1993, November). Benchmarking intelligence fuels management moves. *Public Relations Journal*, pp. 20-22.

Wilcox, D. L., Ault, P. H., and Agee, W. K. (1992). *Public Relations Strategies and Tactics* (3rd ed.). New York: HarperCollins Publishers Inc.

APPENDIX
SELECTED SURVEY QUESTIONS
(altered format)

1. For the following four groups of general statements about what you and your company believe are the best ways to handle relations with employees, customers and members of the community, please CHOOSE the ONE from each group that *best describes your company.*

a.
___ My company works best when managers can control and guide how employees do their jobs.
___ My company works best when managers are in charge, but employees make some decisions about how to do their jobs.
___ My company works best when managers and employees make decisions together about how employees do their jobs.
___ My company works best when managers set broad goals and let employees decide how their jobs should be done to reach those goals.

b.
___ My company works best when employees are given only that information about company operations that employees need for their jobs.
___ My company works best when employees are given some information about operations in addition to specific information needed for their jobs.
___ My company works best when it gives employees a lot of information about operations in addition to specific information needed for their jobs.
___ My company works best when it gives employees virtually any information that is available about our operations.

c.
___ My company works best when we make public only that information that will sell our products and/or help our public image.
___ My company works best when we make public some information in response to specific public concerns, but limit that information to facts about our products and/or our image.
___ My company works best when we respond to a variety of public concerns by routinely releasing relevant information, even if the information is not about our products and/or our image.
___ My company works best when, even if there are no public concerns, we release information about our operations as routinely as we release information about our products and/or our image.

d.
___ My company works best when we use public relations primarily to develop a good company image.
___ My company works best when we use public relations to make our point of view available to interested parties, and to develop a good company image.
___ My company works best when we integrate public relations into our business by trying to understand public concerns and respond to them.
___ My company works best when we use public relations as part of an ongoing effort to be a good corporate citizen.

3. How important for your company are the following qualifications that a person handling investor relations might have? Use a scale of 1 to 7, with 1 meaning *not very important* and 7 meaning *very important*?

Knowledge of public relations.
Knowledge of finance and capital markets.
Knowing how to write financial news releases.
Personal acquaintance with analysts, money managers and other professional investors.
Skills in writing and public speaking.
Experience as a stockbroker or investment banker.
Experience in New York or another major financial center.
Substantial experience in an investor relations job.

1	2	3	4	5	6	7
Not Very Important						**Very Important**

4. **For the following questions about the use of investor relations consultants, please answer those in GROUP A if your company uses an outside consultant, OR GROUP B if your company does not use an outside consultant. *IN EITHER CASE*, indicate how much you agree or disagree with each of the statements in the group using a scale of 1 to 7, with 1 meaning *strongly disagree* and 7 meaning *strongly agree*.**

GROUP A
My company uses an outside consultant because:

The consultant has investor relations knowledge and skills to supplement those of our staff.
The consultant has more experience than anyone on our staff for dealing with difficult investor relations problems.
The consultant has experience and skills that our staff lacks for dealing with investors and/or others who are interested in our stock.
Investor relations does not take enough time to make it worth paying and or/training a staff member for the task.

OR

GROUP B
My company does not use an outside consultant because:

Our staff has the expertise needed to properly carry out investor relations.
Only our staff understands the company well enough to carry out investor relations.
Only our staff can respond fast enough to important investor relations issues that require public statements.
The cost of hiring an investor relations consultant would be too high.
An investor relations consultant would not be able to do the job effectively.

1	2	3	4	5	6	7
Strongly Disagree						**Strongly Agree**

5. **The next series of questions concerns the relationship between those who conduct investor relations and others in your company. Please rank each item on a scale of 1 to 7, with 1 meaning *seldom* and 7 meaning *frequently*. Use *N/A* for items that do not apply to your company.**

How often do those conducting investor relations interact with top management?
How often is "benchmarking" used (benchmarking is finding ways to improve your company by comparing your overall performance with that of other companies)?
How often do those handling investor relations work with analysts covering your industry?
How often do you try to find new analysts who are considered credible by potential investors?
How often do those handling investor relations interact with the mass media?

1	2	3	4	5	6	7	N/A
Seldom						**Frequently**	

6. **Please indicate your level of agreement with the following statements about the ways that companies publicize investor relations information. Use a scale of 1 to 7 with 1 meaning *strongly disagree*, 7 meaning *strongly agree*, and *N/A* meaning not applicable to your company.**

Effective investor relations result from addressing either industry or brokerage and analyst groups.
Effective investor relations result from inviting people to company-sponsored meetings.
Effective investor relations result from meetings cosponsored with other companies for analysts, brokers and investors.
Effective investor relations result from individual meetings with analysts, brokers, investors or potential investors.
Effective investor relations result from a media relations program.

1	2	3	4	5	6	7	N/A
Strongly Disagree						**Strongly Agree**	

7. **Please rank the importance to your company of possible outcomes of investor relations activities, using a scale from 1 to 7, with 1 meaning *not very important* and 7 meaning *very important.***

Meeting federal, state and other disclosure requirements.
Generating analyst interest in the company.
Building relationships with analysts who will regularly report on the company.
Increasing the price of the company's stock.
Getting more investors interested in the company.
Ensuring that investors are always well-informed about the company.
Developing a reputation for being honest and forthright in releasing information about the company.
Developing good communications with the public.

1	2	3	4	5	6	7
Not Very Important						**Very Important**

8. **Please rank the effectiveness of each of the following methods for ensuring that your company's investor relations efforts achieve your goals, using a scale of 1 to 7 with 1 meaning *not very effective* and 7 meaning *very effective.* Use *N/A* for items that do not apply.**

Formal surveys of analysts to determine whether they are satisfied with investor relations efforts.
Personal contact with analysts for informal feedback on investor relations efforts.
Reading analysts' reports to determine whether they contain information about your company.
The direct involvement of top management in setting expectations for investor relations.
Monitoring the price/earnings ratio of your company's stock.
Monitoring institutional purchases of your company's stock.
Pursuing awards from analysts or financial communications specialists that recognize your company's investor relations efforts.

1	2	3	4	5	6	7	N/A
Not Very Effective						**Very Effective**	

AUG 30 1994

U.S. DEPARTMENT OF EDUCATION

OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT (OERI)

EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

REPRODUCTION RELEASE (Specific Document)

Please return to:
ERIC/RCS
150 Smith Research Center
Bloomington, IN 47408-2698

I. DOCUMENT IDENTIFICATION

Title: EXCELLENCE IN INVESTOR RELATIONS: AN EXPLORATORY STUDY OF CEO PERCEPTIONS

Author(s): BARBARA K. PETERSEN, Ph.D. and HUGH J. MARTIN

Corporate Source (if appropriate):

Publication Date: AUGUST 1994

II. REPRODUCTION RELEASE

In order to disseminate as widely as possible timely and significant materials of interest to the educational community, documents announced in the monthly abstract journal of the ERIC system, Resources in Education (RIE), are usually made available to users in microfiche and paper copy (or microfiche only) and sold through the ERIC Document Reproduction Service (EDRS). Credit is given to the source of each document, and, if reproduction release is granted, one of the following notices is affixed to the document.

If permission is granted to reproduce the identified document, please CHECK ONE of the options and sign the release below.

CHECK HERE ➧ ☒ Microfiche (4" x 6" film) and paper copy (8½" x 11") reproduction

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY
(PERSONAL NAME OR ORGANIZATION, AS APPROPRIATE)
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

OR ☐ Microfiche (4" x 6" film) reproduction only

"PERMISSION TO REPRODUCE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY
(PERSONAL NAME OR ORGANIZATION, AS APPROPRIATE)
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

Documents will be processed as indicated provided reproduction quality permits. If permission to reproduce is granted, but neither box is checked, documents will be processed in both microfiche and paper copy.

"I hereby grant to the Educational Resources Information Center (ERIC) nonexclusive permission to reproduce this document as indicated above. Reproduction from the ERIC microfiche by persons other than ERIC employees and its system contractors requires permission from the copyright holder. Exception is made for non-profit reproduction of microfiche by libraries and other service agencies to satisfy information needs of educators in response to discrete inquiries."

SIGN HERE ➧

Signature: Barbara K. Petersen

Printed Name: BARBARA K. PETERSEN

Organization:

Position: ASSISTANT PROFESSOR

Where to send complimentary microfiche-->

Address:
School of Mass Communications
University of South Florida
4202 E. Fowler Ave. -- CIS 1040
Tampa, FL 33620-7800

Tel. No.: (813) 974-6793

Date: 8/22/94

III. DOCUMENT AVAILABILITY INFORMATION (Non-ERIC Source)

If permission to reproduce is not granted to ERIC, or, if you wish ERIC to cite the availability of the document from another source, please provide the following information regarding the availability of the document. (ERIC will not announce a document unless it is publicly available, and a dependable source can be specified. Contributors should also be aware that ERIC selection criteria are significantly more stringent for documents which cannot be made available through EDRS.)

Publisher/Distributor:

Address:

Price Per Copy:

Quantity Price:

IV. REFERRAL TO COPYRIGHT/REPRODUCTION RIGHTS HOLDER

If the right to grant reproduction release is held by someone other than the addressee, please provide the appropriate name and address:

EFF-53 (Rev 4/86)

BEST COPY AVAILABLE

GUIDELINES FOR COMPLETING THE REQUEST FOR REPRODUCTION RELEASE FORM

Under the present copyright law a reproduction release must be obtained for each document before it can be processed for the ERIC system. There are three options:

(Level I) Microfiche (4" x 6" film) and paper copy (8-1/2" x 11") reproduction

This option, which allows ERIC to make the document available on microfiche or in paper copy is most frequently chosen by authors. (77% of ERIC documents are entered as Level I.) This arrangement does not preclude later publication of the document or sale of a printed version by author or institution. However, if you have a limited supply of printed copies or if the document should go out of print, a copy of your document from which other copies can be made will always be available in ERIC.

(Level II) Microfiche (4" x 6" film) reproduction only

This option allows ERIC to make the document available throughout the system on microfiche only. It is most useful if you have a large supply of printed copies but would like to refer requestors to ERIC once your supply is exhausted. This arrangement does not preclude later publication of the document, or sale of the printed document by the author or institution. The ERIC copy of the paper serves an archival function. (13% of ERIC documents are entered in this way.)

(Level III) Document may not be reproduced by ERIC. (Complete Section III of the form.) The document will be cited with bibliographic information, an abstract, and availability information.

NOTE: It is recommended that materials be submitted at Level I or Level II to insure their future availability.

Student Paper

Diversity and a Local Newspaper: When Photojournalism Becomes Public Relations

by Anne Jett
111 Murphy Hall
206 Church Street
University of Minnesota
Minneapolis, MN 55455

Submitted to AEJMC, Visual Communication Division, 1994

Diversity and a Local Newspaper: When Photojournalism Becomes Public Relations

As U.S. daily newspaper publishers and editors contemplate the long-term downward trend in newspaper readership and the rapid growth in the nonwhite population (Bogart, 1991; Pease, 1989), many have come to realize that the health of the industry will increasingly depend on its service to people of color (Pease 1989). Publishers and editors have finally shown some concern about complaints regarding the lack of diversity in their newsrooms and the treatment of nonwhite people on their news pages (Center for Integration, 1992; Johnson 1993; Martindale, 1986; U.S. National Advisory Commission, 1968). As a consequence, diversity has become a buzzword in newsrooms around the nation, and journalists have become preoccupied with developing ways to cover people of color in their communities (Bogart 1991; Gist, 1990; Pease 1989).

The case study approach used often in cultural studies gives us one way to view journalists' strategies for covering people of color. Recent research indicates that the news photograph has played a key role in some editors' construction of portrayals of people of color in the news pages (Center for Integration, 1992; Jett, 1994). This paper examines the ways that editors, reporters and photojournalists at a Midwestern metropolitan daily newspaper represent a Southeast Asian minority group that resides in their community. The paper pays particular attention to the use of headlines and photographs, the combined use of these two news elements, and the function and implications of the representations for the particular minority group represented, other minority groups in the community, white residents, and the community as a whole.

Real (1989) notes that the case study approach adds to our understanding of a phenomenon only when that phenomenon is 1) examined at the level of its historical and social specificity, and when it is 2) considered in interaction with the larger social realm (1989:69-72). The research at hand examines a U.S. daily newspaper's strategies for covering a minority group whose members only recently moved into U.S.

communities as a concrete instance of the press's response to the need to report diversity: Coverage of the Hmong in the *St. Paul Pioneer Press* (*PP*) is examined. Studying this case at the level of its historical and social specificity is only possible if we consider the interaction of its participants, the Hmong, the *PP*, and *PP* readers, with each other and in relation to groups in the local community, the U.S. government, and the larger society. Such an approach can be used to examine the form and content of the *PP*'s portrayal of the Hmong and to study this news representation as a type of social discourse among groups.

Methodology

In studying the *PP*'s strategies for reporting diversity, I conducted a detailed and systematic quantitative and qualitative analysis of *PP* articles with a Hmong focus. My aim was to 1) identify discursive strategies that *PP* workers employed regularly when reporting about the Hmong and 2) observe whether these strategies were employed consistently over the full period of Hmong residency in St. Paul. After locating (via print and electronic indexes) and assessing the population of *PP* articles likely to have a Hmong focus, I decided to analyze the content of Hmong articles for select periods corresponding to early, middle and recent years of Hmong residency in St. Paul. This allowed me to track the use of the *PP*'s representational strategies over time. Time Period I (hereafter the early period), 1981 through 1982, includes 73 articles and represents both the time when coverage of the Hmong became regular as opposed to sporadic and when St. Paul's Hmong population began to increase substantially. Time Period II (the middle period), 1985 and 1986, represents the middle years of Hmong residency, during which 54 articles were published. Time Period III (the recent period) represents the most recent period of Hmong residency: 128 Hmong articles were published in 1989 and 1991. (Table I)

The coding scheme for analyzing the *PP*'s Hmong articles was patterned after previous content analyses of newspapers worldwide by van Dijk and his colleagues, especially in the topic area of immigrant and minority coverage (van Dijk, 1991, 1988a, 1987a, 1987b, 1987c). The coding scheme considers the specific features of news texts and their functions (van Dijk, 1988b, 1987b). Initially, the coding took into account the placement and size of each article; the major theme or topic of coverage in both the headlines and the full text of each article; and the actor(s)/subjects in the articles as well as those reported to be acted upon/objects, in both the headline and the full text. The evaluative tone of each Hmong article from the full text and the headline alone was also coded since a topic may be reported from many different evaluative perspectives. Preliminary analysis of the data showed headline and full text data in agreement more than 95% of the time. Considering this high positive correlation and the preponderance of research showing the strong influence that headlines exert on readers' interpretations of news texts (Baskette, Scissors & Brooks, 1986; 175-176; Stamm, Jackson and Jacoubovitch, 1980:67-73; van Dijk, 1988a:221-262, 1988b, 1987b:14-15; van Dijk and Kintsch, 1983), only that information obtained from the complete recording of the headlines was used in final data analyses.

While the form of this content analysis follows that of previous researchers, I wished to avoid imposing predetermined categories upon the *PP* news texts. The goal of letting the text, in so far as is possible, generate a description of itself meant that I had to keep an eye out for the presence of elements and patterns in the paper's coverage that had not been previously identified or considered important, and that I also had to acknowledge my own subject position as a raised lower middle class, college educated, white female. My own position obviously influences what I take to be important. Thus, I recorded my interpretation of the topics the paper reported, an interpretation which obviously comes out of my own experiences. Then I collapsed this data into twenty-three general categories.

Before I had finished coding Hmong coverage for the early period, I realized that news photographs seemed to be playing a regular role in the *PP*'s portrayal of the

Hmong. The paper was publishing large photographs in its Hmong coverage, especially in Hmong articles with a positive evaluative tone: That is, those articles portraying the Hmong as successful, in the process of attaining success, or at minimum as unsuccessful but deserving of help (always using a White American middle-class value system as the criterion of judgment). Photographs seldom seemed to be part of articles judging Hmong as unsuccessful, e.g., unable or unwilling to assimilate.

The Importance of Visual Texts

A body of research, often sponsored by organizations in the media industry itself and/or conducted by academic researchers in mass communication and psychology, supports the view that photographs draw readers to and into newspaper articles (Bain and Weaver, 1979), and further, that visuals are themselves an element people process when interpreting the meaning of a text (Barthes, 1977; Bryant and Zillmann, 1991; Hall, 1973). Yet, few studies of media practice consider the role of the visual text seriously. In consideration of 1) the growing awareness of the influential role of visual elements in mediated forms of representation (Hooks, 1990, 1992; Griffin 1992; Jensen and Jankowski, 1991;24-25; Robinson 1984), 2) the prevalence of photographs during the first three years (1978-1980) of sporadic *PP* coverage of the Hmong as well as in the early period (1981-1982) of more regular coverage, and 3) the lack of commitment to studying the role of the visual in mediated representations (Griffin 1992; Jensen and Jankowski, 1991:37-40; McQuail, 1987:202), I adjusted my coding scheme to assess the *PP*'s use of photographs when representing the Hmong. Early period coverage and all remaining coverage was coded for the presence or absence, and the form of visual elements (photograph(s)/graphic(s)); the source of visual elements; the number, size and presentation of visual elements; the caption that accompanied each visual element; and information about the content of each visual element (who was present in the photograph, what they were doing, what they were wearing, whether the photograph was obviously posed or appeared to be spontaneous; whether the shots were head, upper torso, or full body shots, whether the shots were tightly cropped or pictured persons in the context of their surroundings).

However, content analysis is but one part of this research. Patterns which become manifest through the paper's Hmong coverage must be analyzed critically to consider the reason for their existence, how they function in the larger society, and their implications for the Hmong, the *PP,* and other residents of St. Paul and the surrounding area. Before describing the patterns of coverage identified in the content analysis, I will introduce two primary groups in this particular case study -- the Hmong, and the *St. Paul Pioneer Press* and its employees. An understanding of their historical and social positioning lays a foundation for thinking critically about the *PP*' s representation of the Hmong. Others active in the process of news representation will be drawn into the picture as they are shown to interact with these two primary groups.

The Hmong

The Hmong fled China in the 1750s to avoid persecution at the hands of a conquering group from the north, the Han Chinese. Their search for a land where they could be free to live according their socially shared values led them to the northern part of French Indochina by the beginning of the nineteenth century. They coexisted with the people already settled there and were able to maintain cultural autonomy. This freedom was not threatened until 1945 when the Japanese tried to oust the French. During the next three decades, a struggle for control of their adopted country continued to jeopardize Hmong autonomy.

Various factions of the Hmong allied themselves with one or another contending group. In the 1960s one group of Hmong became secret allies of the United States during the Vietnam War. These Hmong had long realized that emigration from their home country would be necessary should the United States fail to defeat the Communists in Vietnam. The Central Intelligence Agency, which had recruited Hmong in 1961 to fight against the Communist Pathet Lao in Laos while U.S. troops were fighting on Vietnamese soil, had assured the Hmong they would be protected should U.S. troops withdraw from the Hmong's homeland of Laos, which had been granted independence in 1953. (Downing and Olney, 1982:371). As explained by one Hmong war veteran:

> "The Americans in Laos had an agreement, a contract with us: You help us fight for your country, and if you can't win, we will take you with us and we will help you live" (Chou Lee quoted in Takaki, 1989:464-65).

The Hmong first began to immigrate to the United States in 1975 after the fall of Saigon and the abrupt end to the U.S. presence in Indochina. The U.S. Congress enacted emergency legislation that year, the Indochina Migration and Refugee Assistance Act of 1975, to 1) allow 130,000 refugees into the U.S.; 2) provide a $500 grant per refugee to voluntary agencies called volags which aided in refugee resettlement; and 3) reimburse state governments for money spent on medical, social and other refugee assistance. Initially, only a few high-ranking Hmong were allowed to come to the United States because it was felt that they were the only Hmong in danger at the hands of the Communists (Chan, 1991:155-161; Takaki, 1989:462). But *Khaosane Pathet Lao*, the official newspaper of the Laotian Communist Party, stated openly that the Meo (Hmong) minority must be completely eradicated (Yang, 1982:13). A second group of Hmong immigrants began to arrive in 1978. They were poor, less educated and less urbanized than the few Hmong who had immigrated earlier (Chan, 1991:157). Hmong have continued to migrate to the United States under various policy arrangements; more than half of the one million-plus Indochinese refugees displaced from Southeast Asia have been admitted to the United States; sixty thousand of this number are Hmong (Chan, 1991; Davis, Haub and Willette, 1983:8; Gardner, Robey and Smith, 1985:2-8).

Over half of the Hmong coming to the United States initially settled in California, many in the Fresno area. Many Hmong have found that residents in their new home behave hatefully toward them. Some Hmong youth report that they have been and still are discriminated against in the United States. Americans seem confused about Hmong identity; they confuse Hmong with other Asian groups; Hmong report that they are called "Chinks" and are spat upon (Takaki, 1989:460-464). Many Hmong say that they have become worn from trying to make a home in a location where they are "tolerated but seldom truly welcomed" (Chan, 1991:152). When Hmong families have felt unwelcome or when they have been unable to support themselves, they have responded by moving to parts of the United States where other relatives have found the environment less hostile. While California still has the largest Hmong population in the United States, Minnesota currently has the second largest Hmong population and its neighbor Wisconsin has the third.

Minnesota's Hmong population has increased tenfold from 1980 to 1990 (from 1,331 to 16,833) (Chan, 1991). Sixty-eight percent of the Minnesota Hmong population lives in St. Paul. The 1990 census reports that 4.3% of St. Paul's residents are Hmong (Metropolitan Areas, 1993). People new to the Twin Cities (TC) of Minneapolis and St. Paul, like I was some six years ago, often register surprise not at the number of Hmong residents (TC residents living in certain areas seldom meet Hmong people face to face.) but at the amount of attention such a small percentage of the population commands in the local press.

The Hmong are, with some frequency, the focus of lengthy articles and occasionally special sections in the *Minneapolis Star Tribune* and in the *PP*. They are also covered several times a year on the pages of the TC's two largest "alternative" newspapers, the *City Pages* and the *Twin Cities Reader*. Additionally, a group of Hmong has had a regular weekly television show since 1991 on the area's two public broadcasting stations. The show is aired first in Hmong and then in Hmong with English subtitles. Hmong are most often the subject of commercial television news reports only when holding a large cultural event like a festival or Hmong New Year's celebration, or when one or more of their group is embroiled in some controversy.

Hmong are also covered as part of the larger Asian American community in *Asian Pages*, the *Asian American Press,* and *Asian Business & Community News*, ethnic publications available free of charge in racks throughout the TC. The Hmong are highly visible at weekend Farmers' Markets held in each city from late spring through early fall. They are the topic of a permanent exhibit at St. Paul's Science Museum and a group of Hmong teenagers recently collaborated with Americans to produce, market and present a well-received play telling area residents about their people and experiences.

While the Hmong come from an oral culture, they had begun to seek Western style education before coming to the United States. This emerging trend was interrupted by the Vietnam War (Reder, 1982), but the media most frequently represents Hmong as "pre-literate", "illiterate", and "primitive" (Dunnigan, 1992). Many TC Hmong are on welfare. Under- and un-employment is one of the group's biggest problems. Recent figures for Hmong unemployment were 60% in the TC and an even more phenomenal 90% elsewhere in the United States. And the TC Hmong population is very young; Asians comprise 20% of St. Paul's public school enrollment and 25% of all kindergarten students. The largest percentage of these Asian students are Hmong. (Eight candidates, 1991)

The St. Paul Pioneer Press

The *St. Paul Pioneer Press* began in 1849 as the *Minnesota Pioneer* and went through several organizational arrangements before being purchased by the Ridder family in 1927. The Ridder family merged its chain with the Knight chain in 1974 and the paper is currently owned by Knight-Ridder Newspapers, Inc. (O'Grady, 1983). Throughout its history the paper has been a staunch community advocate, one that has played the role of social engineer. In its early years, when the paper's editor/publisher thought the area needed business investment, it portrayed St. Paul as ripe for entrepreneurial development. When the community had an abundance of going business concerns but a shortage of women to marry its local businessmen, the paper promoted the area to young women (1983:15 & 21).

While this arrangement has changed somewhat over the years, the paper is still a "community advocate." Its criticism of the community takes a soft tone, one that matches the back-handed compliment many pay the state when they label the actions of its citizens and its legislators as "Minnesota nice." Under this philosophy, critical thought about social issues is possible. However, it is only possible to the extent that it can be addressed politely, that is, within the current socio/political system.

Knight-Ridder corporate managers told a *Minnesota Corporate Report* journalist that they believe "a newspaper's fortunes are tied to the community's fortunes" and are pleased when they see "orderly progress and development" in the community (Nelson, 1984:46). At the local level, *PP* managers show an interest in helping such development to occur (Nelson, 1984:46). Some *PP* employees are embarrassed by the type of content produced by this philosophy. They claim that, in effect, the mindset has muzzled the paper and proliferated promotional schemes, *People Magazine*-type features, glittery graphics, and "micronews" on the *PP*'s pages. (1984:51). More recently (1993), a *PP* business reporter told a forum of media reporters, managers, and scholars that the paper consistently fails to take a hard-hitting approach when examining controversial issues in the community.

However, the *PP* has a reputation at Knight-Ridder headquarters for always earning a good profit and it is, evidently, this reputation which is important. By way of explanation, when *PP* managers requested a new printing plant, they put together, pro forma, a 12-year study to show the impact of a new plant in terms of profitability. In 1980, the Knight-Ridder board approved $50 million for the new plant. Upon its completion in 1983, then vice-president for operations William Ott congratulated St. Paul's managers for doing a good job of justifying the investment and noted that "(St. Paul) is a good market . . . a solid foundation for growth" (quoted in Nelson, 1984:46-47).

Ott explains company policy regarding the degree of autonomy given to local papers as follows. "If they stay on track, they're their own bosses. You're free once you get it set up - until you get into some kind of trouble" (quoted in Nelson, 1984:52). Local *PP* managers clearly understand their autonomy as being tied to their profitability. This, of course, means keeping readership figures steady if not growing. Toward this end, the *PP* considers the desires of its readers carefully. It conducts regular readership surveys to assess readers' tastes and interests (1984:51). We "put out our paper for our readers" says then *PP* vice-president and later executive editor John Finnegan (1984:48). Thomas Carlin, publisher in 1984, reflected the *PP's* concern for keeping readers happy even when considering the need to institute change at the paper. He noted that the paper **never wants to jar its readers** (emphasis my own)(1984:51).

Concern with readers tastes and interests translates to concern with making a respectable profit. While the above remarks by corporate headquarters level management show this to be the route to maintaining autonomy at the local level, such autonomy would seem to be hamstrug by the perception *PP* managers have of reader tastes and interests. Such perceptions and constraints must be kept in mind when analyzing the paper's content. I do not have access at the present time to the *PP*s reader studies, but it is common knowledge in the industry that newspaper personnel at all levels have been concerned about readers' opinions of newspapers in general and their own newspaper in particular since the early 1960s. Reader and public complaints that newspapers report too much negative news has been an area of special concern for newspaper publishers and editors (Galician and Pasternack, 1987).

In May of 1969, the *Wall Street Journal* reported that the response to press innovations meant to ensure more upbeat news reporting was positive. In November of the same year, then-Vice President Spiro Agnew charged that the broadcast press overemphasized stories of dissent, lawlessness and controversy (Hartung and Stone, 1980). Based on this and other complaints, both the print and broadcast press have commissioned studies that continue to assess readers' opinions on what they "want" in their news. The view that has filtered through to many print newsrooms appears to be the more bad news a community newspaper publishes, the more readers perceive the paper to be biased, not trustworthy, not important, and not desirable to subscribe to (Haskins and Miller, 1984).

In attempting to circumvent such problems, publishers and editors have continued to develop and try innovations to make news coverage more upbeat. The Gannett Co.'s grand experiment, *USA Today* with its "journalism of hope," is one such attempt that appears to have been successful, at least by criteria of profit and imitation. While the management of most metropolitan dailies has been critical of *USA Today*, calling its content "McNews" and the "journalistic equivalent of junk food," researchers in the 80's found that many papers had attempted to make their pages more upbeat whether through the increased use of large, color photos, changes in their design (Smith, 1989) and/or changes in the tone emphasized in their news coverage (Logan, 1986). The *PP* requested and got a new color printing plant during the first half of the 80's and it has a changed its design at least twice since the plant's completion. The paper is commonly discussed within the community as being "nice". The question is, what view of diversity does such a paper construct?

Content Analysis of *PP* Hmong Coverage

What follows is a general description of the way the *PP* portrayed the Hmong during the three time periods examined in this study. It can be said generally that the *PP* represented the Hmong as "exotic friends," many of whom had become or were becoming successful in America but who sometimes require the community's patience, understanding and help.

The paper reported this view of the Hmong over a wide variety of topics (Tables

II and III), even though most topics were reported in a variety of different ways, that is, via several different evaluative categories (Tables IV, V, VI and VII-A,B,C). Overall, the *PP* reported on the Hmong most frequently in relation to the topic Courts/Government Agencies, but this was one of the three most frequently reported topics only during the recent period of coverage (Table III). During that period (Period III), two Hmong youths were shot and killed in an incident with a suburban policeman. The incident is only part of the reason for the increase of coverage in this topical category. Many of the articles about the Hmong and Courts/Government Agencies in Time Period III dealt with rape accusations between Hmong men and women, and with a crackdown by the Ramsey County authorities on underage Hmong marriages. None of the articles in this time and topic category evaluated any Hmong as successful. Hmong were portrayed either as criminals, lawbreakers, agency users, or as the victims of criminals. Sixty-nine percent of these articles evaluated the Hmong as Unsuccessful (U), 12% as Unsuccessful and in Need of Help (UH) and 19% as Emerging Successful (ES). It is startling that not one of these articles included photographs, although one article did include a small map showing the route that a Hmong family took when it drove a would-be robber to the front door of the police station on the hood of its car.

The *PP* usually framed Court/Government Agency articles that involved Hmong cultural customs exclusively from the legal point of view of the United States rather than from the viewpoints of the Hmong involved. In the few instances when they were the focal point of an article on this topic, Hmong practices that violated U.S. legal norms were evaluated negatively, held up as objects of derision and as oddities. The fact that people from other groups frequently violated these norms as well was never mentioned. Hmong were uniformly portrayed in these instances as primitive and backward.

These stories were the only time that Hmong Culture as a topic was evaluated negatively by the press, even though Culture was the second most frequent topic of coverage overall and among the top four most frequent topics in all three periods (Table III). Overall, articles focusing on the Hmong in relation to the topic Culture evaluated the Hmong positively, that is, as Successful (S) 85% of the time. They often included large color photos and showed Hmong people themselves either dressed in traditional Hmong costumes, making traditional Hmong crafts, and/or celebrating traditional Hmong holidays or holding traditional Hmong festivals. They portrayed Hmong women and children more often than they did Hmong men. In short, such articles used pictures to show Hmong culture as celebration, costume and craft. In the few instances during Time Period III mentioned above when the Hmong were evaluated negatively, none of the articles included photographs. Interestingly, only 46% of Culture articles during this period were photo-plus-text articles. (Tables VIII and IX.) During Time Periods I and II, when all Culture articles evaluated Hmong as Successful (S) or Emerging Successful (ES), 71% and 100% of Culture articles were photo-plus-text articles, Such visual representation encourages a view of the Hmong as exotic and different but in a non-threatening way.

Assimilation was the third most frequently reported topical category in relation to the Hmong. It was among the top four topics in frequency during all three time periods and was the most frequent topic in the first two time periods. In 56% of all Assimilation articles, the *PP* evaluated the Hmong as S; they were evaluated as U in 20% of assimilation articles and as ES and UH in 12% of each category. Overall, photographs appeared in 68% of these Hmong articles. (Table VIII) Such articles sometimes included more than one photograph and depicted Hmong men, and less often Hmong women, dressed in Western style clothing. These photographs usually depicted only one or at most two Hmong who had achieved success in the U.S. business or education world. The photos were often large in size and most were placed on the front page of a section of the paper, usually the front, metro, or neighborhood section. The photographs in Assimilation articles, especially those evaluating Hmong as S, stand in sharp contrast to photographs of Hmong in the sporadic period of coverage, 1978-80. Photographs in the sporadic period depicted large extended families of Hmong with some members (usually women) in traditional dress. Virtually the entire frame of these photographs was filled with Hmong. Successful Assimilation articles never dwelled on the size of the successful person's family other than in the last paragraphs of the article's text. Photographs depicted one or two successful Hmong people centered in the pictures' frame and smiling broadly for the camera. Photo-plus-text articles focusing on the topic Assimilation function to tell readers that all people in U.S. society can become successful. The photographs show people who have "made it" despite enormous odds against them and reinforce the notion that everyone who works hard, like the people in the picture, can make it in the United States. In the very few articles that show and report on U Hmong, the stories define these men (they were all men) in bold headlines as "withered warriors" or "old soldiers," and the articles define their tragedy in terms of their unwillingness to assimilate.

One further topical category fills out the picture of the role of the photograph in the coverage of the Hmong by the *PP*. It is the topic Crime/Anti-social acts and it is a focal topic that appeared for the first time in Time Period III, the recent period. It was the second most frequent topic covered in this period. In 85% of Crime/Anti-social Acts articles, the paper evaluated the Hmong as U according to American legal standards. Yet, over a third of the articles reporting on the Hmong in relation to this topic were photo-plus-text articles. This appears to break from the pattern of showing Hmong predominantly when they are defined as successful via American standards. However, if we look more closely at the placement and content of the photographs in these articles we gain a clearer understanding of the *PP*'s strategy in portraying the Hmong and in representing diversity in its community.

The U Hmong Crime/Anti-social Acts articles that included photos during the recent period had a different appearance than those photo-plus-text articles evaluating

Hmong as S. Photos in these and all U Hmong articles were significantly smaller than those included in S Hmong articles. They took up less of the total space devoted to the article of which they were a part than did photos in S Hmong articles. The photos in these articles were generally located differently than those in S Hmong articles. For example, when U Hmong, photo-plus-text articles began on the front page of the paper or on the front page of a section of the paper, the photo(s) usually appeared after the article jumped to the back pages of the section. In contrast, editors usually placed photos of S Hmong on the front page or front page of a section, or, in articles not originating on a front page, near the top or beginning of an article. Photographs in U Hmong articles were given much less prominent display.

The content of photographs in U Hmong articles was more varied than that in photographs in S Hmong articles. The biggest difference is that photographs in U Hmong articles seldom depicted Hmong. More particularly, on those rare occasions when U Hmong articles included photos, the photos virtually never depicted the Hmong that journalists defined as being U (by middle class, White standards). When such photos showed Hmong, the Hmong depicted were highly successful by, middle class White American standards. In such cases, S Hmong were shown 1) discussing the cause of the lack of success and/or unhappiness of others in the Hmong community, 2) helping unsuccessful Hmong by assisting them directly (e.g. by opening a food shelf), or 3) assisting American authorities (e.g. police) who were instituting programs to aid U Hmong.

A subcategory of U Hmong articles, published only during Time Period II, reported on Hmong youth who had been involved in crime. While these articles were sometimes about incidents that virtually demanded prominent display, they hardly ever included pictures. When they did, these photos were generally small, tightly cropped, mug shots, and the stories were generally not displayed very prominently. One example was an article about a White police officer who had shot and killed two

Hmong youths after a long car chase. The article suggested that the boys might be connected to a national criminal network, and was given very prominent display, but only the picture of the White police officer was included. Another article reporting this incident, which included a graphic description of the crime scene, had two very small mug shots of the dead boys. The Hmong community and other people of color kept the incident at the forefront of community consciousness for several weeks but few photos drew attention to the paper's coverage of the issue. These were most often not on the front pages of sections of the paper, and were seldom large or in color.

Another exception was a story about an innocent victim of violence by what the paper suggested were Southeast Asian youth gangs (A Hmong group was identified.) at a soccer match. The story featured a mug shot of the Uncle of the victim rather than a picture of the victim, the youths involved, or sources from the Hmong and/or Southeast Asian community. And finally, photos in articles covering U Hmong youth involved in crime pictured American officials who were described in captions and headlines as taking care of U Hmong and the problems they create. For example, an article about Asian refugee gambling depicted a state official. The article itself also failed to give a Hmong or Southeast Asian perspective. The paper did print two letters to the editor and published a small, less than prominently placed article about Asian refugee ire over the article and the officials statements.

Analysis and Conclusions

In this study, stories about Hmong successes according to American middle class values were the most prominently displayed articles about Hmong to appear in the *PP*. The paper's visual representation practices were especially important in calling attention to Hmong success in the community. Such articles about the Hmong are those that *PP* readers are most likely to routinely encounter. While positive representation is laudable and addresses the general complaint of many minority groups that they are most often represented negatively and need positive representations of their lives in order to provide role models for minority youth, it does little to look at the problems that Hmong experience in their daily lives in St. Paul. It does little to assist *PP* readers in gaining an understanding of Hmong perspectives and avoids even a hint that recognizing difference will require communities to go past the notion that everyone wants to be middle class, White Americans.

Only the most diligent readers, the news junkies who read every smidgen of the paper, will read and perhaps remember the deeply buried and less prominent accounts of U Hmong. Recent research shows that media audiences do interpret texts differently from the way they are structured. If diligent readers bring experience of the Hmong to the text and/or think critically, they may come to the above realizations or others. However, such oppositional readings take time and energy. Few of us go beyond meanings structured in mediated texts with any regularity. (van Dijk, 1991; van Dijk and Kintsch, 1983),

In conclusion, *PP* representation of the Hmong encourages the view that they are a people who desire a white, middle class American way of life. This makes it difficult, if not impossible, to gain any understanding of the Hmong or their experience in the United States in a way that acknowledges their humanity. Most often, Hmong are measured against a White middle-class yardstick of success; less frequently, they are portrayed as incapable of assimilation or as "social problems."

In visual terms, especially, the *PP*'s coverage of the Hmong is one dimensional at best. Despite a passing nod to social problems, *PP* photojournalism on the Hmong community is essentially an exercise in public relations, a celebration of "Multicultural Life" in St. Paul. It is essentially self-congratulatory, celebrating the level of tolerance in White St. Paul and its apparent openness to "other cultures."

The *PP*, and indeed all newspapers and newspaper researchers, are lax when it comes to understanding the use and the implications of the use of photographs in the news. The news photograph is an element of meaning and should be used ethically or not at all. Its ethical use requires that it not be used to obfuscate and distort the experience of those about whom it reports (Gross, 1988:188-202).

Representing Southeast Asian immigrants, here the Hmong, as successful via middle class, White American norms distorts the refugee experience in this country but the implications of this discursive practice go beyond affecting the Hmong. Nakayama (1988) argues that the way in which the press covers specific groups of color has implications for the group itself, other groups of color and the community at large. He says, for example, that when Asians are treated as a "model minority" or "superminority," a category designed to show that all groups could be successful if they worked as hard as Asians, only the interests of status quo institutions are served. This type of discursive formation functions primarily to maintain the current social structure (1988:65-67).

In carrying on this work on the visualization of diversity, we must begin to examine not only how one group is portrayed, but also how each group's portrayal relates to (and positions) the portrayal of other groups in the community. In my research, for example, I would need to examine, compare and theorize about the way the *PP* covers its Black, Latino, Native American and White populations as well as the Hmong, and other Southeast Asian and Asian groups.

TABLE I
Time Periods

Time Period I	1981-1982	73 articles
Time Period II	1985-1986	54 articles
Time Period III	1989,* 1991	128 articles

* In Time Period III, the year 1989 is substituted for 1990 in order to be able to analyze coverage in a year that the *Pioneer Press* chose "helping Southeast Asians assimilate" as one its five editorial goals.

TABLE II
Major Topics in Hmong Headlines for Combined Periods

	Topics	Frequency	Percent
1.	Assimilation	25	9.8
2.	Courts/Govt. Agency	32	12.5
3.	Crime/Antisocial Acts	20	7.8
4.	Culture	27	10.6
5.	Discrimination/Race	5	1.9
6.	Drugs	4	1.6
7.	Education	13	5.1
8.	Entrepreneur/Business	3	1.2
9.	Hmong Media	2	.8
10.	Hmong Protest	7	2.7
11.	Illness/Disease	21	8.2
12.	Immigration	8	3.1
13.	Need Help	21	8.2
14.	Pro-Asian/Hmong	7	2.7
15.	Police—no crime	2	.8
16.	Politics	8	3.1
17.	Religion	4	1.6
18.	Self-sufficiency	7	2.7
19.	Tragedy	13	5.1
20.	Welfare	2	.8
21.	Youth	3	1.2
22.	Other	5	2.0
23.	Unclear	16	6.3
	Total	**255**	**99.8**

TABLE III

Major Topics in Hmong Headlines by Time Period*

		Time Periods		
	Topics	**I**	**II**	**III**
1.	Assimilation	12	13	7
2.	Courts/Govt.Agency	7	2	20
3.	Crime/Anti-social Acts	0	0	16
4.	Culture	10	13	10
5.	Discrimination/Race	1	4	2
6.	Drugs	0	6	1
7.	Education	4	7	5
8.	Entrepreneur/Business	1	4	0
9.	Hmong Media	3	0	0
10.	Hmong Protest	0	0	6
11.	Illness/Disease	21	7	2
12.	Immigration	1	13	0
13.	Need Help	23	4	2
14.	Pro-Asian/Hmong	1	4	3
15.	Police—no crime	1	0	1
16.	Politics	1	0	5
17.	Religion	0	6	1
18.	Self-sufficiency	5	2	2
19.	Tragedy	4	2	7
20.	Welfare	1	0	1
21.	Youth	0	0	2
22.	Other	0	2	3
23.	Unclear	1	13	6
	Total	**97**	**102**	**102**

* All figures reported are percents of the total number of articles for the time period. Time period I is comprised of 73 articles; time period II had 54 articles; and time period III had 128 articles. Column totals are greater or less than 100% due to rounding.

TABLE IV
Frequency* of Evaluations of Hmong in Headline for Combined Time Periods

	Evaluation	Frequency
1.	Unsuccessful (U)	47
2.	Unsuccessful Help (UH)	11
3.	Emerging Successful (ES)	13
4.	Successful (S)	28

* Reported figures are in percents.

TABLE V
Frequency* of Evaluations of Hmong in Headlines by Time Period

		Time Period		
	Evaluations	I	II	III
1.	Unsuccessful (U)	59	37	45
2.	Unsuccessful Help (UH)	8	11	13
3.	Emerging Successful (ES)	6	19	16
4.	Successful (S)	27	33	26

* Reported figures are in percents.

TABLE VI

Evaluations of Hmong in Headlines by Topic for Combined Periods*

		Evaluations			
	Topic	**U**	**UH**	**ES**	**S****
1.	Assimilation	20	12	12	56
2.	Courts/Govt./Agencies	66	9	25	0
3.	Crime/Antisocial Acts	85	0	10	5
4.	Culture	7	0	7	85
5.	Discrimination/Race	100	0	0	0
6.	Drugs	50	25	0	25
7.	Education	15	8	31	46
8.	Entrepreneur/Business	33	0	33	33
9.	Hmong Media	0	0	0	100
10.	Hmong Protest	14	0	86	0
11.	Illness/Disease	100	0	0	0
12.	Immigration	50	38	13	0
13.	NeedHelp	67	24	5	5
14.	Pro-Asian/Hmong/SE Asian	14	71	0	14
15.	Police—no crime	0	50	0	50
16.	Politics	24	13	13	75
17.	Religion	0	0	0	100
18.	Self-sufficiency	14	0	0	85
19.	Tragedy	77	8	8	8
20.	Welfare	50	0	0	50
21.	Youth	67	0	33	0
22.	Other	50	0	33	17
23.	Unclear	40	33	7	20

* All figures reported are percents. Due to rounding rows may add up to more or less than 100%

** Evaluation Abbreviations U—Unsuccessful;
UH—Unsuccessful Help;
ES—Emerging Successful and
S—Successful.

TABLE VII–A

Evaluations of Hmong in Headlines by Topic
Time Period I*

		Evaluations			
	Topic	U	UH	ES	S**
1.	Assimilation	44	11	0	44
2.	Courts/Govt./Agencies	40	0	60	0
3.	Crime/AntisocialActs	–	–	–	–
4.	Culture	0	0	0	100
5.	Discrimination/Race	100	0	0	0
6.	Drugs	–	–	–	–
7.	Education	33	0	0	67
8.	Entrepreneur/Business	0	0	0	100
9.	HmongMedia	100	0	0	0
10.	HmongProtest	–	–	–	–
11.	Illness/Disease	100	0	0	0
12.	Immigration	0	100	0	0
13.	NeedHelp	77	18	6	0
14.	Pro-Asian/Hmong/SE Asian	0	100	0	0
15.	Police—no crime	0	0	0	100
16.	Politics	0	0	0	100
17.	Religion	–	–	–	–
18.	Self-sufficiency	–	0	0	100
19.	Tragedy	100	0	0	0
20.	Welfare	100	0	0	0
21.	Youth	–	–	–	–
22.	Other	–	–	–	–
23.	Unclear	100	0	0	0

* All figures reported are percents. Due to rounding rows may add up to more or less than100%.

** Evaluation Abbreviations U—Unsuccessful;
UH—Unsuccessful Help;
ES—Emerging Successful and
S—Successful.

TABLE VII–B

Evaluations of Hmong in Headlines by Topic
Time Period II*

		Evaluations			
	Topic	U	UH	ES	S**
1.	Assimilation	0	0	43	57
2.	Courts/Govt./Agencies	0	100	0	0
3.	Crime/Antisocial Acts	–	–	–	–
4.	Culture	0	0	14	86
5.	Discrimination/Race	0	100	0	0
6.	Drugs	–	67	33	–
7.	Education	0	0	50	50
8.	Entrepreneur/Business	0	50	0	50
9.	Hmong Media	–	–	–	–
10.	Hmong Protest	–	–	–	–
11.	Illness/Disease	100	0	0	0
12.	Immigration	57	29	14	0
13.	Need Help	0	50	0	50
14.	Pro-Asian/Hmong/SE Asian	0	50	0	50
15.	Police—no crime	–	–	–	–
16.	Politics	–	–	–	–
17.	Religion	–	–	–	100
18.	Self-sufficiency	–	0	0	100
19.	Tragedy	100	0	0	0
20.	Welfare	–	–	–	–
21.	Youth	–	–	–	–
22.	Other	100	0	0	0
23.	Unclear***	43	29	14	0

* All figures reported are percents. Due to rounding rows may add up to more or less than100%.

** Evaluation Abbreviations U—Unsuccessful;
UH—Unsuccessful Help;
ES—Emerging Successful and
S—Successful.

*** One article was neutral and could not be assigned to an evaluative category from either its headline or a close reading of the text.

TABLE VII–C

Evaluations of Hmong in Headlines by Topic
Time Period III*

		Evaluations			
	Topic	**U**	**UH**	**ES**	**S****
1.	Assimilation	11	22	0	67
2.	Courts/Govt./Agencies	69	12	19	0
3.	Crime/Antisocial Acts	85	0	10	5
4.	Culture	15	0	8	77
5.	Discrimination/Race	100	0	0	0
6.	Drugs	0	0	0	100
7.	Education	17	17	33	33
8.	Entrepreneur/Business	–	–	–	–
9.	Hmong Media	–	–	–	–
10.	Hmong Protest	14	0	0	86
11.	Illness/Disease	100	0	0	0
12.	Immigration	–	–	–	–
13.	Need Help	50	50	0	0
14.	Pro–Asian/Hmong/SE Asian	0	100	0	0
15.	Police—no crime	0	0	0	100
16.	Politics	0	14	14	71
17.	Religion	0	0	0	100
18.	Self–sufficiency	50	0	0	50
19.	Tragedy***	67	0	11	11
20.	Welfare	0	0	0	100
21.	Youth	67	0	33	0
22.	Other	25	0	50	25
23.	Unclear	25	38	0	38

* All figures reported are percents. Due to rounding rows may add up to more or less than100%.

** Evaluation Abbreviations U—Unsuccessful;
UH—Unsuccessful Help;
ES—Emerging Successful and
S—Successful.

*** One article was neutral and could not be assigned to an evaluative category from either its headline or a close reading of the text.

26

TABLE VIII
Topic/Photo Juxtaposition in Hmong Coverage for Combined Periods

	Topics	Frequency/ # with Photo	% with Photo
1.	Assimilation	25/17	68
2.	Courts/Govt.Agency	31/0	0
3.	Crime/Anti-social Acts	20/7	35
4.	Culture	27/18	67
5.	Discrimination/Race	5/1	20
6.	Drugs	4/1	25
7.	Education	13/7	54
8.	Entrepreneur/Business	3/1	33
9.	Hmong Media	2/1	50
10.	Hmong Protest	7/2	29
11.	Illness/Disease	21/2	10
12.	Immigration	8/4	50
13.	Need Help	21/3	14
14.	Pro-Asian/Hmong	7/1	14
15.	Police—no crime	2/2	100
16.	Politics	8/3	38
17.	Religion	4/2	50
18.	Self-sufficiency	7/5	71
19.	Tragedy	13/8	62
20.	Welfare	2/0	0
21.	Youth	3/1	33
22.	Other	5/1	20
23.	Unclear	17/2	12
	Total	**255/86**	**34%**

TABLE IX

Topic/Photo Juxtaposition in Hmong Coverage By Time Period and Combined Periods*

	Topic	I	II	III	All Periods
1.	Assimilation	67	71	67	68
2.	Courts/Govt./Agencies	0 **	0	0	0
3.	Crime/Antisocial Acts	–	–	35	35
4.	Culture	71	100	46	67
5.	Discrimination/Race	100	0	0	20
6.	Drugs	–	0	100	25
7.	Education	33	50	67	54
8.	Entrepreneur/Business	100	0	–	33
9.	Hmong Media	50	–	–	50
10.	Hmong Protest	–	–	29	29
11.	Illness/Disease	13	0	0	10
12.	Immigration	0	57	–	50
13.	NeedHelp	6	50	50	14
14.	Pro-Asian/Hmong/SE Asian	0	20	0	14
15.	Police—no crime	100	–	100	100
16.	Politics	0	–	43	38
17.	Religion	–	33	100	50
18.	Self-sufficiency	50	100	100	71
19.	Tragedy	100	100	44	62
20.	Welfare	0	–	0	0
21.	Youth	–	–	33	33
22.	Other	–	0	50	20
23.	Unclear	0	14	11	12

* All figures reported are percents. Each figure equals the percent of articles for the appropriate topic that included at least one photo.

** "0%" means that articles did appear for this topic but none included photographic representation. "–" means that no articles appeared during this time period for the topic.

REFERENCES

Bain, C. & Weaver, D.H. (1979). Readers' reactions to newspaper design. *Newspaper Research Journal*, 1(1), 48-59.

Barthes, R. (1977). *Image, music text.* New York: The Noonday Press.

Baskette, F., Scissors, J. & Brooks, B. (1986). *The art of editing* (4th ed.). New York: Macmillan.

Bogart, L. (1991). *Preserving the press: How daily newspapers mobilized to keep their readers.* New York: Columbia University Press.

Bryant, J. and Zillmann, D., eds. (1991). *Responding to the screen: Reception and reaction processes.* Hillsdale, NJ: Erlbaum.

Center for Integration and Improvement of Journalism and Asian American Journalists Association. (August 29, 1992). *Project Zinger: A Critical Look at News Media Coverage of Asian Pacific Americans.* Washington, DC: Author.

Chan, S. (1991). *Asian Americans: An interpretive history.* Boston: Twayne Publishers.

Davis, C., Haub, C. & Willette, J. (1983). U.S. Hispanics: Changing the Face of America. *Population Reference Bureau*, 38:(3), 8.

Downing, B.T. and Olney, D.P. (Eds.). (1982). *The Hmong in the West: Observations and reports.* University of Minnesota: Center for Urban and Regional Affairs.

Eight candidates run for St. Paul School Board. (1991, October 12). *St. Paul Pioneer Press*, p. A10, 12.

Dunnigan, T. (1992). *The trials of Rosie O'Thao: Television drama as cultural critique.* Unpublished manuscript, University of Minnesota, Department of Anthropology, Minneapolis.

Galician, M. and Pasternack, S. (1987). Balancing good news and bad news: An ethical obligation? *Journal of Mass Media Ethics*, 2(2), 82-92.

Gardner, R., Robey B. & Smith, P.C. (1985). Asian Americans: Growth, change, and diversity. *Population Reference Bureau*, 40(4), 2-8.

Gist, M.E. (1990). Minorities in media imagery: A social cognitive perspective on journalistic bias. *Newspaper Research Journal*, 11(3), 52-63.

Griffin M. (1992). Looking at TV news: Strategies for Research. *Communication*, 13, 121-141.

Gross, L. (1988). The ethics of (mis)representation. In L. Gross, J. Katz & J. Ruby (Eds.), *Image ethics: The moral rights of subjects in photographs, film, & television* (pp. 188-202). New York: Oxford University Press.

Gross, L., Katz J., & Ruby, J. (Eds.). *Image ethics: The moral rights of subjects in photographs, film, & television.* New York: Oxford University Press.

Hall, S. (1973). The determination of news photographs. In S. Cohen & J. Young (Eds.), *The manufacture of news* (pp. 226-243). Beverly Hills: Sage.

Hartung, B. and Stone, G. (1980). Time to stop singing the "bad news" blues. *Newspaper Research Journal*, 1(2), 19-26.

Haskins, J.B. and Miller, M. (1984). The effects of bad and good news on a newspaper's image. *Journalism Quarterly*, 61(1), 3-13, 65.

Hooks, B. (1990). *Yearning: Race, gender and cuoltural politics.* Boston:, MA: South End Press.

______. (1992). *Black looks: Race and representation.* Boston, MA: South End Press.

Jensen, K.B. and Jankowski, N.W. (Eds.). (1991). *Qualitative methodologies for mass communication research.* London: Routledge.

Jett, A.D. (1994). *The Hmong as news: A case study of how a local press portrays a marginalized group.* Unpublished master's thesis. University of Minnesota, Minneapolis, MN.

Johnson, L.A. (1993). Token blacks in the newsroom: An explanation of Cantor's theory of proportions. Manuscript submitted for review.

Logan, R.A. (1986). USA Today's Innovations and their impact on journalism ethics. *Journal of Mass Media Ethics*, 1(2), 74-87.

McQuail, D. (1987). *Mass communication theory: An introduction* (2nd ed.). London: Sage Publications.

Martindale, C. (1986). *The white press and black America.* New York: Greenwood Press.

Nakayama, T.K. (1988). "Model Minority" and the media: Discourse on Asian America. *Journal of Communication Inquiry*, 12(1), 65-73.

Nelson, D.R. (1984, April). A solid link in the chain. *Corporate Report Minnesota*, pp. 45-52.

O'Grady, D.J. (1983). *The Pioneer Press and Dispatch: History at your door 1849-1983*. St. Paul, MN: Northwest Publications Inc.

Pease, T. (1989). Cornerstone for growth: How minorities are vital to the future of newspapers. *Newspaper Research Journal*, 10(3), 1-22.

Real, M.R. (1989). *Super media: A cultural studies approach.* London: Sage Publications.

Reder, S. (1982). English proficiency and years education in Laos. In B.T. Downing and D.P. Olney (Eds.)., *The Hmong in the West: Observations and reports*, (pp. 268-303). University of Minnesota: Center for Urban and Regional Affairs.

Robinson, G. (1984). Television news and the claim to facticity: Quebec's referendum coverage. In R. Rowland and B. Watkins (Eds.), *Interpreting television: Current research perspectives* (pp. 199-221). London: Sage Publications.

Rowland, R. and Watkins, B. (Eds.). (1984). *Interpreting television: Current research perspectives.* London: Sage Publications.

Stamm, K, Jackson, K. and Jacoubovitch, D. (1980). Exploring new options in newspaper readership measurement. *Newspaper Readership Journal,* 1(2), 63-74.

Smith, R. (1989). How design & color affect reader judgment of newspapers. *Newspaper Research Journal*, 10(2), 75-85.

Smitherman-Donaldson, G. and van Dijk, T.A., (Eds.). (1988). *Discourse and discrimination.* Detroit: Wayne State University Press.

Takaki, R. (1989). *Strangers from a different shore: A history of Asian Americans.* Ontario, Canada: Penguin Books.

U.S. National Advisory Commission on Civil Disorders. (1968). *Report of the National Advisory Commission on Civil Disorders.* New York: E.P. Dutton & Co., Inc.

van Dijk, T.A. (1987a). *Communicating racism: Ethnic prejudice in thought and talk.* Newberry Park, CA: Sage.

_____. (1987b). *News analysis: Case studies in international and national news.* Hillsdale, NJ: Lawrence Erlbaum Associates, Publishers.

_____. (1987c). Mediating racism: The role of the media in the reproduction of racism. In R. Wodak (Ed.), *Language, Power and Ideology.* Amsterdam: Benjamins.

_____. (1988a). How they hit the headlines: Ethnic minorities in the press. In G. Smitherman-Donaldson and T.A. van Dijk (Eds.), *Discourse and Discrimination* (pp. 221-262). Detroit: Wayne State University Press.

_____. (1988b). *News as discourse.* Hillsdale, NJ: Lawrence Erlbaum Associates, Publishers.

_____. (1991). *Racism and the press.* London: Routledge.

van Dijk, T.A. and Kintsch, W. (1983). *Strategies of discourse comprehension.* New York: Academic Press.

Wodak, R. (ed.). (1987). *Language, Power and Ideology.* Amsterdam: Benjamins.

Yang, D. (1982). Why did the Hmong leave Laos? In B.T. Downing and D. Olney (Eds.), *The Hmong in the West: Observations and Reports* (pp. 3-20). University of Minnesota: Center for Urban and Regional Affairs.

U.S. DEPARTMENT OF EDUCATION

OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT (OERI)

EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

Please return to:
ERIC/RCS
150 Smith Research Center
Bloomington, IN 47408-2698

REPRODUCTION RELEASE (Specific Document)

I. DOCUMENT IDENTIFICATION

Title: Diversity and a Local Newspaper: When Photojournalism Becomes Public Relations

Author(s): Anne D. Jett

Corporate Source (if appropriate):

Publication Date:

II. REPRODUCTION RELEASE

In order to disseminate as widely as possible timely and significant materials of interest to the educational community, documents announced in the monthly abstract journal of the ERIC system, Resources in Education (RIE), are usually made available to users in microfiche and paper copy (or microfiche only) and sold through the ERIC Document Reproduction Service (EDRS). Credit is given to the source of each document, and, if reproduction release is granted, one of the following notices is affixed to the document.

If permission is granted to reproduce the identified document, please CHECK ONE of the options and sign the release below.

CHECK HERE ➧ ☑ Microfiche (4" x 6" film) and paper copy (8½" x 11") reproduction

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY
[PERSONAL NAME OR ORGANIZATION,
AS APPROPRIATE]
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

OR

☐ Microfiche (4" x 6" film) reproduction only

"PERMISSION TO REPRODUCE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY
[PERSONAL NAME OR ORGANIZATION,
AS APPROPRIATE]
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

Documents will be processed as indicated provided reproduction quality permits. If permission to reproduce is granted, but neither box is checked, documents will be processed in both microfiche and paper copy.

"I hereby grant to the Educational Resources Information Center (ERIC) nonexclusive permission to reproduce this document as indicated above. Reproduction from the ERIC microfiche by persons other than ERIC employees and its system contractors requires permission from the copyright holder. Exception is made for non-profit reproduction of microfiche by libraries and other service agencies to satisfy information needs of educators in response to discrete inquiries."

SIGN HERE ➧

Signature: Anne D. Jett
Printed Name: Anne D. Jett
Organization: University of Minnesota; School of Journ. + Mass Comm.
111 Murphy Hall, 206 Church St.
Position: PhD Student
Where to send complimentary microfiche-->
Address: Mpls., MN 55116
Tel. No.: 612-699-9683
Zip Code:
Date: 8/26/94

III. DOCUMENT AVAILABILITY INFORMATION (Non-ERIC Source)

If permission to reproduce is not granted to ERIC, or, if you wish ERIC to cite the availability of the document from another source, please provide the following information regarding the availability of the document. (ERIC will not announce a document unless it is publicly available, and a dependable source can be specified. Contributors should also be aware that ERIC selection criteria are significantly more stringent for documents which cannot be made available through EDRS.)

Publisher/Distributor:
Address:
Price Per Copy:
Quantity Price:

IV. REFERRAL TO COPYRIGHT/REPRODUCTION RIGHTS HOLDER

If the right to grant reproduction release is held by someone other than the addressee, please provide the appropriate name and address:

EFF-53 (Rev. 4/86)

BEST COPY AVAILABLE

GUIDELINES FOR COMPLETING THE REQUEST FOR REPRODUCTION RELEASE FORM

Under the present copyright law a reproduction release must be obtained for each document before it can be processed for the ERIC system. There are three options:

(Level I) Microfiche (4" x 6" film) and paper copy (8-1/2" x 11") reproduction

This option, which allows ERIC to make the document available on microfiche or in paper copy is most frequently chosen by authors. (77% of ERIC documents are entered as Level I.) This arrangement does not preclude later publication of the document or sale of a printed version by author or institution. However, if you have a limited supply of printed copies or if the document should go out of print, a copy of your document from which other copies can be made will always be available in ERIC.

(Level II) Microfiche (4" x 6" film) reproduction only

This option allows ERIC to make the document available throughout the system on microfiche only. It is most useful if you have a large supply of printed copies but would like to refer requestors to ERIC once your supply is exhausted. This arrangement does not preclude later publication of the document, or sale of the printed document by the author or institution. The ERIC copy of the paper serves an archival function. (13% of ERIC documents are entered in this way.)

(Level III) Document may not be reproduced by ERIC. (Complete Section III of the form.) The document will be cited with bibliographic information, an abstract, and availability information.

NOTE: It is recommended that materials be submitted at Level I or Level II to insure their future availability.

Organizational Dimensions of Standardization

by

Sandra E. Moriarty, Professor
Thomas R. Duncan, Associate Professor
School of Journalism and Mass Communication
University of Colorado
Boulder CO 80309

Submitted for review to the Research Section, Advertising Division
Association for Education in Journalism and Mass Communication

Organizational Dimensions of Standardization

-Abstract-

The challenge for many companies involved in global advertising is not so much how to maneuver through the shoals of cultural differences as it is how to avoid the structural rocks. This paper analyzes the organizational management dimensions of the standardization debate from the viewpoint of advertising practitioners involved in making strategic decisions for accounts handled by their agencies.

Organizational Dimensions of Standardization

The debate over international advertising standardization versus localization has been aired in professional publications and academic journals and the viewpoints usually represent either top executives in multinational headquarters or academics who have content analyzed a selection of ads or surveyed top executives. This study reports on a series of interviews conducted on-site in the offices of international agencies in Hong Kong, Tokyo, Kuala Lumpur, London, and Athens. The objective was to record how these managers on the front line of international advertising see the practice and organization problems of standardization.

Review of Issues

Discussions in the trade press on global advertising, as well as the academic research, tend to focus on reasons why standardization works, should work, or doesn't work. The most commonly cited reasons for standardizing advertising include production economies and efficiencies as articulated early on by Elinder (1965), as well as consumer similarities (Levitt, 1983), global brand building (Pitcher, 1985), finding and exploiting good ideas, the availability of global media, and the dictates of clients (O'Brien, 1986). The reasons cited for not standardizing include cultural differences, regulations, product use differences, different levels of economic development and education, and management concerns. (Maljers, 1992; Rosen et al., 1988; Kirpalani et al., 1988)

Many studies of advertising standardization are content analyses of ads and they tend to focus on executional differences, themes, or embedded cultural values. (Graham et. al., 1993; Frith and Wesson, 1991; Mueller, 1990, 1987; Tansey, 1990; Tse et al., 1989; Rice and Lu, 1988; Hong et al. 1987; Choe et al., 1986; Madden et al., 1986; Dowling 1980; Marquez, 1975, 1979; Unwin, 1974)

More recently research into global advertising is considering the multidimensional nature of standardization making a distinction between strategy and execution. (Duncan and Ramprasad, 1993; Moriarty and Duncan, 1990; Hill and James 1990; Plummer, 1986; Peebles et al., 1977) Another set investigates different types, levels, and patterns of standardization from fully standardized and fully localized (Kanso 1991; Mueller, 1989; Whitelock and Chung, 1989; Synodinos et al., 1989; Dunn, 1976; Sorenson and Wiechmann , 1975; Donnelly and Ryans, 1969), to umbrella strategies with adapted local executions (Ramprasad and Hasegawa, 1992; Sriram and Gopalakrishna, 1991; Mehta, 1992; Hill and James 1990; Peebles, 1977)

Earlier studies also focused on different consumer responses to different products and advertising in different parts of the world (Thorelli et al., 1975; Green et al., 1975). There is also a growing body of literature on the issue of cultural imperialism whose premise is that Western advertising is (or is not) uprooting local cultural mores. Also appearing in the imperialism debate is a discussion of the need for and against culturally protective regulation. (Frith, 1990, 1989, 1988; Frazer 1990)

The missing topic from this body is literature is the organizational dimension. The efficiency question has merited investigation, however, the structural dimensions of the standardization question are rarely discussed. A recent investigation of resource allocation (Szymanski, et. al, 1993) begins to move the discussion in that direction as does Banerjee's work which makes the case for restructuring the organizational systems of the advertising industry in order to employ more decentralized and transnational collaborative approaches.

Hill and James (1990) analyzed the reasons for changing strategies as a function of the degree of independence of the local offices. The authors found that both the strategy and execution were more likely to be changed in the more affluent markets and in those markets where subsidiaries had higher sales. The authors believe that the stiffer competition and higher sales gave subsidiaries more leverage to do what they want to do--i.e. localize the message.

Organizational factors are presumed to have an impact on the practice of international advertising and they are the subject of this investigation. More specifically, how do multinational agencies--and their local agencies--work with multinational clients? How do regional and local offices work with headquarters? Who makes the decisions and how are the organizational problems sorted out by the practitioners in the local offices of the multinational advertising agencies?

The Interviews

An examination of basic management and organizational behavior theories relevant to the practice of international advertising was used to provide insight into practitioners' comments about the structural factors affecting standardization. These organizational concepts were used to frame an analysis of the practice of international advertising and to analyze the standardization decision and implementation procedures.

Insight into professional practice was gained from a continuing project of indepth interviews investigating the views and concerns of advertising executives who handle multinational clients from offices in England, Greece and several Asian countries. The objective was to test their views against the issues and debates in the literature on standardized advertising, and frame their comments with the theoretical literature from organizational behavior.

An expert panel of 15 key executives was interviewed in conjunction with the authors' trips to international markets to conduct marketing communication seminars. Over half of the members of the expert panel were heads of their agency offices. The names of the experts were selected using the following criteria: a senior vice president or higher who manage international client business in headquarters or branch offices of international agencies. The names meeting these criteria were obtained from personal contacts the authors had with top management in the agencies' headquarters. More than half of the respondents to date had worked in at least one other part of the world and some in three or more. Each of these indepth interviews lasted at least an hour. The Far East interviews in Tokyo, Hong Kong and Kuala Lumpur were conducted in the summers of 1992 and 1993, the London interviews were conducted in the spring of 1991 and 1992, and the Greek interviews in the fall of 1992. Follow-up clarification interviews continued by fax in the fall of 1993. The following participated in the interviews:

Richard Zobel, President, Leo Burnett-Kyodo Co., Tokyo

Charlie Whitelaw, Managing Director, North Asia, DMB&B, Tokyo
Ian Hamilton, President, Saatchi and Saatchi, Tokyo
Hironori Nagano, Dentsu, Tokyo
Tsutomu Okahashi, Dentsu, Tokyo
Jim Eiche, Vice President, DMB&B, Hong Kong
Warren Guthrie, Vice President, Leo Burnett, Hong Kong
Catherine Guthrie, Vice President, Leo Burnett, Hong Kong
Allen Chichester, Vice President, Leo Burnett, Hong Kong
Lau Peng Kai, Managing Director, Union 45 Chiat/Day/Mojo, Kuala Lumpur
David Miln, Director of Business Development, Saatchi and Saatchi, London
Paul Gergos, General Manager, Gnomi/FCB, Athens
Yorgo Zannias, Chairman, BBDO Group-Greece, Athens

Examination of the organizational factors found four categories of issues--the driving forces behind standardization, structural parameters, organizational levers, and procedures and processes.

The Driving Forces

The most prominent factor in standardized advertising is a concern for maximizing efficiency--both in costs and message impact--and that is essentially a headquarters concern. The standardization decision is also one that reflects a corporate philosophy and often the philosophy is one of cost containment.

Corporate Philosophy The decision to standardize is primarily a client decision. An important finding in this set of interviews is that the decision is often based on the client's management philosophy regarding centralization rather than on advertising message objectives and needs. As Zobel (Burnett, Tokyo) explained, "The advertisers are the ones who are driving the global issue, more so than the agencies." Whitelaw (BMB&B, Tokyo) also agreed: "It is largely driven by the client, not by the agency. If the client believes in global strategies, and sometimes possibly in global executions, they will want to use the strategy and elements of the execution all over the world." Eiche (DMB&B, Hong Kong) made the point that, "When our big global clients get serious about international, that's when we do too. And it leads us into new markets and everything we need to service them. "

A frequent observation of the interviewees is that global advertising is fluid and dynamic; there is no one way--or right way--to do it. The respondents described a variety of levels and types of standardization they confront daily. They point out that standardization is not an either/or decision and that it is applied in varying degrees to both strategy and execution. In other words, companies engaged in international business use a variety of organizational approaches and that adds to the complexity of the agency's responsibilities.

Chicester (Burnett, Hong Kong) explained that some big multinationals are consistently global in philosophy; some are locally focused; but many are somewhere in between. Several of the executives made similar observations:

> Clients may tend to be, in one extreme, totally centralized. The shots are called out of the headquarters. At the other extreme is the de-centralized client. And most clients, for one reason or another, are somewhere in the middle. Then may tend to be a little more centralized or decentralized, but there is a policy--or partly a philosophy--that the management of the company feels is right for them. There's also an intellectual thing, perhaps even an academic

> thing, that makes them want to be de-centralized, or mainly centralized. *Whitelaw, DMB&B, Tokyo*

The multinational companies and brands that were identified as mostly standardized include Lever, Coca Cola, and Marlboro. Procter and Gamble is seen as moving toward standardization particularly with new brands and brands going through reformulation or repositioning. Mars also is seen as moving toward standardization, particularly after renaming the successful Marathon bar in the U.K. to Snickers in order to establish a global brand. Nestle, however, has built its successful brands on largely localized advertising campaigns and Kellogg's was reported as "being all over the place."

> Marlboro is the most global product; but Marlboro is not one hundred percent global. In Australia, the American West doesn't play well; they've got their own cowboys, and they're not impressed with the cowboys of the American West. In most ways, Phillip Morris has brilliantly managed that brand. *W. Guthrie, Burnett, Hong Kong*

These differences affect how the advertising is created. For example, Gergos explained that, in the case of Colgate, his agency is involved with a mix of creative products; it gets some video that was created and produced in American and other Europe markets that they adapt, and they also make and produce some video specifically for Greece. For Nestle, however, everything is produced locally in Greece. In other words, the amount of local production Gnomi initiates depends upon the client's philosophy of business.

Efficiency Many articles on standardization discuss the economies created by common production as a reason for using standardized advertising. According to our interviewees, economies and cost containment issues are important driving forces behind many changing practices in the behavior of organizations. Giest and Hardesty, for example, discuss the transformation of hospitals and the changing work roles of health care practitioners that have resulted from the "the business mentality" imposed by new forms of health care delivery. (1992)

Hamilton (Saatchi, Tokyo) agrees that efficiency is a major factor in standardization: "I think most of this striving for global campaigns is cost driven. The client doesn't want to spend all that money on new production." He referred to his European community experience and observed that, "The strategic value of Pan-European branding, for example, lies in the scale of economies it affords...to help make the company the low cost producer."

Eiche (DMB&B, Hong Kong) also referred to the efficiency angle but from the viewpoint of the local manager. "If I can borrow something that somebody else has used somewhere else, and it works, I've just saved a lot of energy and time that I could use on some other project." He makes the point that in Asia, for example, P&G is fairly new to the market, "so everybody is stretched."

> You want to get going as fast as possible; everybody's got too much work to do. If you can get an idea where you don't have to spend the months and months it takes to come up with something good from scratch, if you can shortcut all that, then you just have that much more energy to work on the thirty zillion other things you've got to do. So it's really a way to make the most out of our organization.

Two other reasons frequently mentioned in the efficiency discussions were the transferability of a good idea and speed, both of which reflect the intense competition companies are confronting in the marketplace.

> •It's so much faster to expand around the world, based on one campaign, than it is to have each country develop its own, and get it right the first time. And since you know that today the technological advantage will last you much less that it used to, speed is, I think, a major thing. *Zobel, Burnett, Tokyo*
>
> •Procter & Gamble is trying to be very, very global, as far as its corporate strategy. Basically for them it's because they have built a lot of better mousetraps. Those better mousetraps don't last very long in this very competitive world--they figure they have six or eight months, before somebody else gets the technology...But if you look across P&G, you'll still see a variety of approaches. *W. Guthrie, Burnett, Hong Kong*

In other words, the efficiency that comes from leveraging a strong brand identity--or a great creative concept--is another reason for standardizing advertising. A number of respondents mentioned how difficult it is to come up with breakthrough creative; once you have found a great idea it makes sense to get extra mileage from it. They pointed out that for products distributed in more than two or three countries, it may take too long to come up with a great idea in every local market. Several respondents mentioned that often in smaller markets the talent doesn't exist to do consistently "great advertising." Furthermore, they noted that the really big creative idea tends to travel easily across borders.

> When you have an extremely powerful idea, like Marlboro, it is used pretty much the same everywhere. It wasn't used around the world because of speed. It has taken 25 years to roll that product around the world. It was used because it was a magic campaign: nothing works as well as that. It has taken many years to get some markets to use it, but the cowboy campaign always works better than anything else. Marlboro is a very dangerous example because it is, I think, unique--it is the magic campaign. But if you have a really powerful idea, you want to use it everywhere. *Zobel, Burnett, Tokyo*

Effectiveness Few of the executives mentioned effectiveness as a factor driving standardization. Eiche did make the point that efficiency is only one of the important decision factors and that it has to be balanced against effectiveness: "Obviously there are a lot of advantages from a business point of view, so the pressure is always going to be pushing you that way." In other words, in his view business pressures have to be balanced by a concern for advertising that works: "If it's not working anymore, then that means your business isn't growing." The lack of comments about effectiveness probably mirror the view of these executives that the decision is based more on the client's need for efficiency than on the message needs.

Structural Parameters

The primary structural concerns are focused on centralization and control issues and how they are played out between headquarters and local offices, as well as how they are reflected in the agency-client relationship. Agencies are composed of professionals and the primary characteristic of professionals in the work environment is a sense of autonomy which is exhibited in a willingness to assume professional responsibility and demand decision making authority (Geist and Hardesty, 1992). As agency management works to establishes the complex organizational relationships necessary for international advertising programs, the centralization and control issues become very complex issues.

In open systems, the changes needed to manage complex structures are open to negotiation; in closed systems the structures may be more rigid and bureaucratic, a problem described by Presky et.al. (1993) in their discussion of the organizational problems integrated marketing programs are facing. They noted the constraints of long-standing organizational arrangements and unswerving commitment to past structures that have outlived their usefulness in an analysis of the organizational dimensions of integrated marketing communication and concluded that corporate traditions and self perpetuating bureaucracies limit consideration of new strategic options. Agencies moving into new forms of international and global advertising must be alert to the constraint of past structures.

Centralization The critical issue in advertising for a global brand is determining how much standardization is required or how much localization is permitted. This concern is also parallel to the organizational issue of centralization and decentralization and inevitably both challenge the old organizational patterns.

Banerjee (1993), for example, makes the case for reengineering the organizational systems of advertising agencies in order to employ more decentralized and transnational collaborative approaches. Intra-office collaboration is not a practice that has been valued highly in the past in the advertising industry and the introduction of such practices on a transnational basis will call for creative management, a task not made easier by Prensky's notions of corporate traditions.

The interviewees observed that the degree of centralization within the client corporation is a major factor in determining whether standardized advertising is even feasible. Within the agency organization, however, the question is: are all major strategy decisions made at headquarters or are managers in the field allowed to make some or all of these decisions in response to local conditions? In top-down systems, local agencies follow procedures and implement strategies; in bottom-up systems local agencies are allowed to revise, modify, and invent new procedures and practices, as well as creative ideas, and suggest those to headquarters. If centralization issues and procedures have not been negotiated between local offices and headquarters, they can lead to suspicion and resentment.

As Hill and James (1990) found, the reason for local adaption of a message strategy is largely a function of the degree of independence of the local office, particularly in strong competitive markets where the competitive situation becomes a rationale for doing what the local agencies want to do–localize the message.

Resistance The desire for local autonomy reflects a natural distrust of headquarters by local managers who feel that their local interests may be ignored in order to create a universal brand message that may not even work as well in that market. According to Hamilton, there are sometimes very good reasons why it won't work and the problem headquarters has is listening and sorting out the valid reasons from the defensive responses. He explains his involvement with the use of a global campaign in Japan developed by one of his agency's clients.

> It's a very peculiar campaign. I saw the stuff and I thought, "We'll test it, but I'm telling you now, forget it. It ain't going to work." And I immediately became "that negative guy" out there in Japan, and what does he know, and all that stuff. As so we tested it, and it was a dog, an absolute dog.

A similar distrust can also exist at headquarters where there is a temptation to dismiss anything coming up from the local offices as not being of the same quality as that developed at headquarters. Jim Eiche (DMB&B, Hong Kong) described this type of resistance:

> In New York home offices, the idea of borrowing ideas from international was really not the thing. Everyone there wanted to use their own stuff. And I certainly felt that way when I was there. It was like, "What the hell could I learn from Italy or somewhere like that?"

Those kinds of comments and the attitudes they represent can be a irritant in an organizational relationship. Zobel said that standardized advertising could even be looked at as a form of corporate cultural imperialism. The assumption is that "since it's what we're using in the U.S., it must be right." The imperialism aspect is what creates resentment at the local level.

Bottom-Up Systems Top-down standardization trades the insight of the local manager for maximum control and, presumably, maximum efficiency in both cost containment and brand impact. Standardization, however, doesn't have to be a product only of a centralized system; it can also result from a bottom-up approach. The practitioners noted a number of experiments with bottom-up systems that encourage creativity at all levels. P&G, for example, uses a procedure known as "search and reapply" where the best ideas are collected from local operations and then spread throughout the organization.

The new product idea that bubbles up from below may put some unexpected pressures on the headquarters/local office relationship, particularly when it is a product idea originating with the advertising agency. For example, the Gnomi FCB agency in Athens came up with a good idea for Nestle, a company that is essentially decentralized. But the product idea and accompanying creative strategy were strong enough to export to other markets. Gnomi's creation of a brand new product for the Greek market--a frothy iced coffee product which the agency named *Nescafe Frappe* is a case study of how good ideas can move out and up. After it was successfully exported to Italy, Gergos suggested that Nestle start marketing it in other markets in the temperate zone. The problem was that the frappe idea called for a different way of looking at instant coffee and that challenged the corporate Swiss headquarters, because, as Gergos pointed out, what his agency had done was reposition a coffee product from a hot beverage to a fun refreshment. Nestle knew how to sell the ambiance of coffee but had to rethink how to sell a refreshment beverage.

Control In discussing the structural impact of integrated marketing communication programs, Prensky et.al. (1993) argue that the ability to control procedures is critical to organizations striving for efficiency. Likewise, standardization is a question of systems control for both the agency and the client and debates about standardization inevitably interact with efficiency concerns and centralization issues. Whitelaw said the issue for most clients is, "Control--in a word, control--the extent to which they can control their operations around the world." This varies on both the client and agency side and reflects internal structural factors as well as external factors such as the economy and market strength.

In some cases, Whitelaw explained, companies may have strong centralized financial control but less centralized marketing control over their regions. And in those cases where there is less centralized marketing control, the local marketing managers, and their agencies, are accustomed to making their own decisions without interference from headquarters. He observes, "It's very tough to sell the local managers on a given marketing concept." This is exacerbated by recessionary times when local managers are being pressured to report more sales and higher shares. As in the case with intensely competitive situations, managers dealing with economic downturns also demand more local autonomy. In those situations local advertising is inevitably more valued than standardized advertising.

The opposite situation may be true for managers of agencies in weak or developing markets who lack the strength to create quality local marketing and advertising programs; standardized advertising provides an expedient answer to this problem. Third world consumers, for example, may find themselves looking at U.S. advertisements, not because U.S. ads are presumed to be better, but because there isn't a local advertising industry that can produce the same quality of work. As markets mature, they tend to do more locally produced work, particularly with more expensive advertising formats such as television commercials.

The client side in a local market also may not be able to make decisions on the wisdom, value, and limitations of a global campaign. As Zobel explains, organizational depth can be a problem for the client as well as the agency:

> The brand management the clients have--forget the agency side of the equation--may not be as strong all over the world. In some places, I'm sure the clients don't have much faith in their managers, so they think that the odds of getting it right the first time are not that great.

Guthrie also noted the importance of the client's system of organizational control, "I think the corporate organizational structure is perhaps one of the most important factors in the decision; very few corporations are set up in a way that enables them to even make that decision [standardization]." He observed that the perceived efficiency of the large multinational company is often a myth.

> You're ahead of the game when you've got a multinational client that's got just a strong regional focus, without even saying anything about a global focus. There is a perception that a lot of people have, that there's a certain magic out there with these multinationals and how they're organized. Mostly they're struggling. The vision of their efficiency and their ability to get things done is way overplayed.

Other interviewees agree that the client's structure is important but they also note that it may not be as efficiently organized as the client would like to think.

> I think the corporate organizational structure is perhaps one of the largest factors in a standardization decision. Even the ones that we consider to be the most powerful multinational organizations typically have regional or local areas of power within the organization that preclude headquarters from saying, "You will use this campaign".... You're ahead of the game when you've got a multinational that's got a strong regional focus, and can bring the local organizations in line under that regional focus--without even saying anything about a global focus.... There is a perception that a lot of people have, that there's a certain magic out there with these multinationals and how they're organized. I think mostly that they're struggling. I think it's way over blown, in terms of the efficiency and the ability to do things that a person with vision really thinks should happen. *Chichester, Burnett, Hong Kong*

Whitelaw agrees with that observation and says that client desire to standardize is not enough; the company must have the power to mandate what the local offices will do and that becomes an issue of control.

> Starting out to do a global campaign can only happen with a client that is structured in a way that it can mandate a global campaign. Otherwise it's just an academic exercise. They can do it--somebody can have their New York agency do it, but they can't implement it. Or they can convince some countries to buy into it for one reason or another, but others won't. So it really has to start with the ability to actually follow through with global implementation.

In the tug of war for control, as local markets become more developed and financially strong, they also become more powerful and demand more local control.

According to Whitelaw, Coca-Cola lets its bottlers develop their own advertising in Japan, one of the few markets in the world where such freedom is permitted by the otherwise centrally directed company. In addition to being a huge market, the bottlers have also been able to convince the company that outsiders are unable to develop effective advertising for Japanese consumers.

> Japan is the one execution. Japan does not follow the world-wide global strategy. And that's simply because the Japanese market is so big, and the Coca-Cola business is so profitable here, that the bottlers--who are independent businessmen run their own thing. They simply will not accept the importation of a global campaign. It's a power issue. Coca-Cola could force it, but they probably wouldn't succeed, because it would really irritate the bottlers. And they would win the battle but lose the war because the bottler s wouldn't cooperate with new product introductions and local promotions. And probably the bottlers, if they were really upset, would ask to renegotiate the cooperative advertising agreement. So once again, it becomes a question of power. Even though Coca-Cola is about as centralized as a company can get, in terms of its marketing and other things, Atlanta doesn't mess around with Japan. They let them do their own thing.

The opposite is also true, the less important financially a market is to the company, the more likely it will be required to use a standardized campaign.

For advertisers marketing in Malaysia, however, there isn't a choice about using standardized advertising executions as government regulations demand that all production be done in Malaysia and all actors be Malaysians, a requirement that has given the Malaysian advertising production industry a real boost. Lau (Union 45 Chiat/Day/Mojo) explains that all advertisements have to be produced locally and feature local talent and locations. However, 20 percent of the footage may be foreign for scenes like snow-clad mountains which are not found in Malayasia. Lau says that the regulation, which international advertisers dislike, only protects the local industry and compares it to similar policy in Australia.

For that reason, many advertisers planning an Asian campaign shoot spots in several "ethnic" versions at the same time in Malaysia since the country has a varied ethnic mix that reflects many major population groups--Malay, Chinese, Indian, and Thai. Lau points out that "more and more foreigners are setting up shop in Malaysia and our film industry has benefited as a result."

Structural Matching As our executives have stressed, the client drives the standardization decision, however, another important finding from these interviews is that client organization also dictates agency organization--at least for that client's account. As Miln (Saatchi, London) pointed out, "It a structural thing. It all depends on the way the client is organized. And the agency has to match that organizational setup." In other words, not only does the client determine if standardization will be attempted, it also determines the organizational parameters within which the work is created and executed by the agency. In practice, however, many multinational clients are not as well organized as they might like and the structure need to manage a global campaign is often not in place

Organizational Levers

The philosophy and culture of the corporation--both agency and client--are important tools of standardization as are the incentive and reward systems that undergird the practitioner's sense of professionalism. How these support systems are leveraged determines how successfully the agency can manage its headquarters/local office relationships. The problem comes, as Geist and Hardesty note, from collisions over what is valued and rewarded and that conflict is intensified in times of change or transition such as when advertising professionals who have previously worked locally become involved with multinational accounts.

Corporate Culture Although corporate philosophy on the client side determines whether a standardization strategy is considered, the corporate culture on the agency side determines how easily the standardization strategy is implemented. The problem is the resistance to"imposed" ideas and the prevalence of an uncooperative attitude which is referred to as "not invented here" or NIH. Zobel (Burnett, Tokyo) pointed out the tendency by local offices to find "any excuse not to use it." He explained , "As soon as the advertising comes, everybody looks at it and is figuring out what I can say to sell the fact that this will not work here? Why it won't work, is the first reaction." He explains,

> "Nobody wants to use it voluntarily. And they'll find any excuse not to use it--and it comes just as much from the client side as from the agency. The brand manager or the advertising manager wants to develop his own ads so usually you have an alliance between the local marketing people and the local agency."

The respondents made it clear that this "not-invented-here syndrome" problem is universal. As Warren Guthrie explained, "there isn't a high-profile effort to surmount that kind of resistance, because the 'not-invented-here' syndrome is alive and well all over the world." Hamilton also believes "the NIH factor" can be licked only if everybody is given a shot at coming up with ideas. The solution is an emphasis on a culture of collaboration and the recognition that good ideas can come from anywhere.

Incentives and Rewards NIH masks a very difficult problem, not only with local autonomy, but also with the local pride and confidence needed to stimulate the creative process. As Zobel observes, "I would say the agencies have a natural feeling against using standardized advertising, simply because every local agency would rather be doing its own creative work." in other words, standardized advertising has the potential to limit local agencies' activities to media placement and, in the process, short circuits the creative process.

Where do standardized campaigns come from and how do you keep the ideas flowing both up and down the creative veins of an agency? This question ties back to our previous discussion of bottom-up systems. A few campaigns for new products have been created initially as global and, in most cases, they were designed as top-down campaigns--such as the launch campaigns for European cigarette Raw Silk and Natrel deodorant, both designed as pan-European products. Although standardized campaigns are easier for new products, Guthrie (Burnett, Hong Kong) pointed to Max Factor as an older product that was converted to a global campaign.

> P&G recently bought Max Factor and decided, 'Okay, from ground zero, we're going to operate this globally.' They have one shop in New York--a fashion boutique agency--that will create one worldwide campaign. And we basically work with them and distribute it and put everything in place through research and media planning. So that's one approach to an execution that literally runs everywhere. That's the ultimate approach to being global and using standardization.

Such cases are fairly rare, however. Zobel, who has worked in South America, North America, and the Far East said he knows of only one really global campaign that was designed as such and that was for a soft drink. It took nine years and three campaigns to get it right. A global campaign was requested by the client from the very beginning, however the advertising had to fit some unusual markets where its sales were particularly strong such as the U.K., South America, and the Arab countries. The standard campaign with bathing suits and other Western lifestyle cues, of course, wouldn't work in the Arab countries. It took a number of years to find the creative approach that could be adapted to all these environments.

More often standardized campaigns are found, not created, and that's why management systems that encourage bottom-up ideas are important. The Impulse campaign theme, for example, features a stranger giving flowers to a woman on impulse which started in South Africa and was eventually used worldwide. The experts report that it is much tougher to design a global campaign from scratch than it is to find a good idea that has been used and tested locally and then export successfully to other markets until it eventually becomes a global campaign. Hamilton explains how that has worked in his experience with P&G accounts:

> The way that Proctor has always worked has been, 'We have this campaign for Ivory soap, which is doing a hell of a job in Brazil. Why don't we try it in Pakistan?' So the guys in the Pakistan agency are given all the information and then told, 'Well make a few little minor adjustments, and let's give it a shot.' Hopefully it works in Pakistan. So then they say, 'Now, let's try it in China' and gradually over a period of years, more and more people get to hear of this campaign. It becomes something that's know within the company, and people say, 'That really works: I'd like to try it here in the Philippines.' In my experience, that's how the real global campaigns have developed.

The Asian Whisper campaign (the feminine hygiene product named Always in the States), featuring a woman dubbed "Mrs Whisper," developed by exportation. The strategy was one of a confident woman talking directly to other woman about this new product she has discovered as if they were two woman talking to each other personally. Eiche described the various iterations the "Mrs. Whisper" character went through as she was tested against perceptions of women and how they talk and project themselves in China, Thailand, Taiwan, Japan, the Phillipines, Hong Kong and Singapore. As the strategy and concept were refined, the executions were adapted to accommodate local perceptions and now this Asian campaign is being moved to Canada, the States, Latin America, and now Europe.

For those companies considering standardized advertising, one of the most puzzling questions is where will the new creative ideas come from? Zobel and Hamilton have found that, in their experience, good ideas often start out local and then move global. If top-down campaigns are the rule, then that practice may cut off the new idea stream. Hamilton called this the downside of global advertising. He explained that, "People in country A or B will say, 'The hell with it. I'll just take the money and run.' They want me to run the campaign. That's fine. I'll let our creative dogs loose on something more interesting."

But how can you design and manage a process that would also encourage the development of a lot of different ideas, allowing the best ones to rise to the top, at the same time providing the efficiencies of centralized production? As Hamilton explained, "there has to be both discouragement from using something else, but encouragement to try to beat what you've got, to do something better."

> What should happen, what ought to always be happening, and certainly for a time when I was working in the Kodak business, was happening, is to beat the campaign. Every agency had to attempt on an annual basis to beat the benchmark campaign. This was exciting stuff for the creative guys. 'Here's this campaign, everybody knows it, and we're all tired of it except maybe the consumer. So, go beat it. Here's how we'll judge how good you are against these criteria, and do this kind of research or that kind.' And for the creatives, that's a hell of a challenge, because they know if they can beat it locally, their campaign may well become the new world campaign. *Hamilton, Saatchi, Tokyo*

Hamilton referred to an experience he had with a former agency where ideas were developed through a process called "creative exploratories" that was designed to encourage competition. While that experience was a shoot-out, he sees need for an approach that will, in a positive way, stimulate ideas coming from different agencies in the network either in competition or collaboration. If it works, then "the guys in Singapore know the guys in Hong Kong; and they all know everyone is working on it and they all want their work to be used. And when everybody sees the stuff, you hear comments like, 'That's good, that's really good.'" When everyone is involved at that level and everybody is given a shot at the big creative idea, it can defuse the NIH factor and encourage a more collaborative corporate culture.

The only danger is, as Hamilton pointed out, there may be a tendency at headquarters to impose too many controls in its attempt to insure that the idea will travel or fit traditional client advertising guidelines.

> The big danger is that headquarters people start to establish a set of rules that says, "Here's how you do the campaign--the headline has to have six words in it and the words will be this big. And then there will be a picture and it'll be that big, and the copy can have no more than 48 words. In the television commercial, the first 3 1/2 seconds you have to establish this," and the whole thing just becomes a mechanical exercise rather than a creative challenge.

A centralized philosophy also hurts the cultivation of local talent. As Zannias explained, a top-down approach means all the good local talent will want to move inevitably to the central office so they can be in the game. And good creative people in big offices often wind up being managers which is counter productive if the objective is to encourage ideation by the best and brightest.

> Initially the best guys can often be found in the local markets. If you are a brilliant person living in Turkey, the Turkey agency can't afford to pay you. So they will move you to headquarters. What happens then? There's a system that turns them into administrators--less aggressive, soft, less advertising saavy; become good in PR. They become more like a politician--how can I trust if you if you have survived for 25 years in this business. The same thing happens at the corporate level. The company should create a system that allows these guys to grow within the company without turning them into grey-flannel ordinary executives. *Zannias, BBDO, Athens*

Procedures and Processes

What these comments are leading to is a recognition that new procedural forms are needed in most agencies to manage the cultivation of the best ideas and the brightest people. New processes may also be needed to decide who does the work, how information is managed, and how resources are allocated.

Task Organization Defining the task and deciding who is responsible for it is a critical organizational problem, one that is exacerbated by the complexities of global advertising programs. Giest and Hardesty (1992) discuss task organization in terms of *task claiming*, when a professional lays claim to a particular area of responsibility, *task discovery*, when professionals discover areas that have been left uncovered, *task proferring*, when one suggests that a task belongs to someone else, and *task stripping*, when someone is removed from responsibility on the grounds that the task is inappropriate for them. Agencies handling international accounts go through all of these adjustments as they confront the problem of task organization. Conflict is particularly serious when local professionals are involved in task claiming and headquarters is engaged in task stripping.

Added to the challenges created by the client's organizational structure is the difficulty managing the work of more than one agency. Speaking from a client's viewpoint, Zobel observed that, "It's very hard to do standardized advertising if you have more than one agency, because then you have even more resistance; it is bad enough when you use one agency."

In the Max Factor story cited earlier, Guthrie described a situation where a fashion boutique in New York handled the creative and Leo Burnett handled the research, media planning, and other aspects of rolling the campaign international. It worked but only because Burnett respected the contributions that the fashion focused agency could bring to the strategy. From most major agencies' viewpoint, however, standardized strategies can be particularly difficult when there is more than one agency involved. Guthrie explained:

> Invariably, there's a lead agency campaign. There's usually one that produces the work, at least the work on which the other work is based." Sometimes the lead agency gets to review the new work; sometimes not. "It depends on the relationship between the lead agency and the client. At Phillip Morris, it does happen that way, because of our relationship with them.

Dentsu's headquarters in Tokyo is on the front line of United's advertising in Japan handling work and ideas that often originate in the Leo Burnett offices in the States. Nagano and Okahashi explain that when they meet with United in Chicago, Burnett representatives are not in the meetings. In other words, the two agencies work separately, although they do exchange ads . The decision on what to standardize and adapt seems to be made between Dentsu and the client with the client representatives often coming to Tokyo to consult on the details.

Information Management Another dimension of the structural problem is information--how to get it, share it, and make it accessible to the people who need to know it. That's true up and down within both the client and agency organizations, as well as between the client and agency. Guthrie sees information and communication as two of the most important factors in globalizing advertising, next to structure and organization. How that information is collected and reported creates its own organizational problems. Guthrie explains:

> Information is the whole game. If something's really working in France, I want to try it, right? We saw that in the last year in the Burnett company. We started really traveling a lot. I think that's important. I also think as that process matures, you start traveling a little bit less, because it costs so damn much. You start having other types of communication taking its place and you start putting in reports the information the information that takes the place of that travel.
>
> I think the next thing that will happen is to get beyond the sheer communication of what's going on here, what works there, let's try it here--to managing globally. Keeping up is part of the information flow so getting that information is a big part of the battle. But then, it's

> like, "How can we use that information to be smarter and lead people--our clients and our agency." It's one thing to communicate; it's another thing to use this information and the organizational matrix to start leading regionally and globally. The emphasis will change from keeping up to leading.

In international advertising, the complication of multiple agencies also exacerbates the problem of proprietary data and ideas. Competition between agencies may very well be fought on platforms of information.

Resource Allocation This discussion of information, and the research and information management systems needed to utilize it, brings us to the topic of resource allocation. Deciding who gets what is a management problem in any agency or agency network. When the network crosses national borders and continents the resource allocation processes need reexamination because there may be costs associated with transnational advertising for which there are no budget items or different patterns of costs may put stress on different parts of the budget. (Szymanski, et. al, 1993)

Cost containment is a goal of efficiency, however, cost distribution in an international program is a challenge to local as well as central budgets. In particular, creative budgeting is needed to compensate local agencies who do the idea work for the entire organization. A major stumbling block, in other words, in using material from another country is deciding who pays for what? Zobel (Burnett, Tokyo) discussed the budgeting problems involved in creating advertising that travels.

> Surprisingly enough, most companies have not worked out a way to fund co-productions. I'm talking about very big, well-established companies. For instance, the production costs of animated commercials of high quality is very high, and if you have an idea like Tony the Tiger, obviously you want this commercial to work globally. Whatever country that produces this commercial pays, everybody else gets it for free. We've gone to many of our friends and said, "We've worked out a way so we have production costs shared"--it never happens. The system doesn't exist to do it. People say, "The solution is to have a central fund to pay for these things." However there's enormous tax problems with that.

Like the co-production problem, creative exploratories may also bog down over questions of funding. Where do the budgets come from for the exploratory speculative work? Like Zobel's earlier suggestion, there may be a need for a central fund to either reward the winning ideas or pay for the additional production expenses--perhaps a creative R&D fund to develop creative ideas worldwide and test market them as to their transferability.

Conclusion

The challenge, for many companies trying to do global advertising, is not so much how to maneuver through the shoals of cultural differences, but rather how to avoid the structural rocks. Guthrie explains, "I think level one is first, get the organization right. And second, get the communication going."

The managers on the front line are juggling and balancing these factors daily. The complexity of standardization, however, makes it a challenge to develop principles of standardized advertising, checklists for teaching it, or even methodologies for researching it.

The most important finding from these interviews is that the decision to standardize is based more on the client's need for efficiency than on the needs of the message. Furthermore the agency's organizational structure used for the account's management may very well be designed to match the client's structure. Unfortunately, our executives also noted that few clients have effectively solved the organizational problem for international accounts and many doing global advertising are handicapped by local and regional centers of power or by a lack of organizational depth and strength needed to direct transnational advertising programs.

In general, the client's structure dictates whether standardized advertising is even possible. Efficiency is a major driving force and interacts with corporate philosophies of centralization to affect the viability of standardization. Local adaption is a function of the degree of independence of the local office. Resistance comes from distrust--both of the local offices by headquarters and headquarters by the local offices. Bottom-up standardization procedures and collaborative systems can be developed depending upon how much encouragement the corporate culture gives to innovative management concepts.

Control practices vary in both agencies and clients depending upon the internal structure (organizational strength and depth) and external forces. As local markets become more developed, they demand more control. In the case of intense competition, as well as recessionary periods, local managers will also demand more autonomy.

Another important finding is that standardization in practice is rarely an either/or decision. Our interviewees tell us that, even though we talk about standardization as if it were a simple decision, in reality standardization can be applied in varying degrees to both strategy and execution.

Global advertising needs organizational support and the way an agency leverages its international capabilities depends upon its corporate culture, which governs attitudes such as the not-invented-here response, and its incentive and reward systems. Creative ideas for global campaigns are often found, not created at headquarters and sophisticated agencies need procedures for cultivating the best ideas and the brightest people, wherever they may be located. In addition, innovative organizations will develop new procedures for task organization (who does what) and resource allocation (who pays for what).

There is still much investigation that needs to be done in this area to answer such questions as: When should standardized strategies allow localized executions? When are the effectiveness of locally produced campaigns more than offset by the economies of standardized executions? How much time should each market be given to develop its own "good" advertising? When does the desire to "have control" via standardized advertising drown local creativity? When do cultural differences justify local campaigns? And finally: How should agencies be organized to allow maximum flexibility to deal efficiently and effectively with the various market situations and to stimulate the highest order of creativity?

REFERENCES

Choe, Jae-Hyun, Gary B. Wilcox, and Andrew P. Hardy (1986), "Facial Expressions in Magazine Ads: A Cross-Cultural Comparison," *Journalism Quarterly*, 63 (Spring), 122-126, 166.

Donnelly, James H., Jr. and John K. Ryans, Jr. (1969), "Standardized Global Advertising, a Call As Yet Unanswered," *Journal of Marketing*, 33 (April), 57-60.

Dowling, Grahame R. (1980), "Information Content in U.S. and Australian Television Advertising," *Journal of Marketing* 44 (Fall), 34-37.

Duncan and Ramprasad, 1992, "Amount of Standization/Localization and Use of Copy Research in the Practice of International Advertising," AEJMC Annual Conference, Montreal

Dunn, S. Watson (1976), "Effect of National Identity on Multinational Promotional Strategy in Europe," *Journal of Marketing*, 40 (October), 50-57.

Elinder, Erik (1965), "How International Can European Advertising Be?" *Journal of Marketing*, 29 (April), 7-11.

Frith, Katherine (1989), "Cultural Imperialism or Cultural Empiricism? A Critical Perspective," *Proceedings of the 1989 Conference of the American Academy of Advertising*, ed. Kim Rotzoll.

______(1988), "More Than We Bargained For: The Impact of Consumer Culture in Southesast Asia," AEJMC Annual Conference, Portland, OR.

Frith, Katherine T. and David Wesson (1991), "A Comparison of Cultural Values in British and American Print Advertising: A Study of Magazines," *Journalism Quarterly*, 68 (Spring/Summer), 216-224.

Geist, Patricia and Monica Hardesty (1992), *Negotiating the Crisis: DRGs and the Transformation of Hospitals* (Hillsdale NJ: Lawrence Erlabum).

Graham, John L., Michael A. Kamins and Djoko S. Oetomo (1993), "Content Analysis of German and Japanes Advertising in Print Media from Indonesia, Spain, and the United States," *Journal of Advertising*, 22 (June): 5-15

Green, Robert T. and Eric Langeard (1975), "A Cross-Cultural Comparison of Consumer Habits and Innovator Characteristics, *Journal of Marketing*, 39 (July), 34-41.

Hill, John S. and William L. James (1990), "Effects of Selected Environmental and Structural Factors on International Advertising Strategy: An Exploratory Study," *Current Issues & Research in Advertising*, 12 (1 & 2), 135-154.

Hong, Jae W., Aydin Muderrisoglu, and George M. Zinkhan (1987), "Cultural Differences and Advertising Expression: A Comparative Content Analysis of Japanese and U.S. Magazine Advertising," *Journal of Advertising*, 16 (1), 55-62, 68.

Johansson, Johnny K. and Hans B. Thorelli (1985), "International Product Positioning," *Journal of International Business Studies*, 16 (Fall), 57-75.

Kanso, Ali, (1991), "The Use of Advertising Agencies for Foreign Markets: Decentralized Decisions and Localized Approaches?" *International Journal of Advertising*, 10 (2), 129-136.

Levitt, Theodore (1983), "The Globalization of Markets," *Harvard Business Review* 61 (May-June), 92-102.

Madden, Charles S., Marjorie J. Caballero, and Shinya Matsukubo (1986), "Analysis of Information Content in U.S. and Japanese Magazine Advertising," *Journal of Advertising*, 15 (3), 38-45.

Maljers, Floris (1992), "Inside Unilever: The Evolving Transnational Company," *Harvard Business Review*, September-October.

Marquez, F.T. (1975), "The Relationship of Advertising and Culture in the Philippines," *Journalism Quarterly*, 52 (Autumn), 436-442.

______(1979), "Cross Cultural Research: A Decision Factor in Standardized Versus Non-standardized Global Advertising," *Gazette*, 25, 150-162.

Mehta, Abhilasha (1992), "Global Markets and Standardized Advertising: Is It Happening? An Analysis of Common Brands in USA and UK," American Academy of Advertising, San Antonio, TX, March.

Moriarty, Sandra E. and Thomas R. Duncan, (1991), "Global Advertising: Issues and Practices," *Current Issues and Research in Advertising*, 13 (1 and 2): 313-341.

Mueller, Barbara (1987), "Reflections of Culture: An Analysis of Japanese and American Advertising Appeals," *Journal of Advertising Research*, 27 (June-July), 51-59.

Mueller, Barbara (1989), "Degrees of Globalization: An Analysis of the Standardization of Message Elements in Multinational Advertising," *Current Issues & Research in Advertising*, 12 (1 & 2), 119-133.

Mueller, Barbara (1990), "Degres of Globalization: An Analysis of the Standardization of Message elements in Multinational Advertising," *Current Issues & Research in Advertising*, 12 (2): ??

O'Brien, Walter (1986). "Globalism: A Mirage or a Market?" Speech delivered to the AAAA International Seminar, Plaza Hotel, New York (March 10).

Peebles, Dean M., John K. Ryans, and I. R. Vernon (1978), "Coordinating International Advertising," *Journal of Marketing*, 11 (8): 569-576.

Pitcher, A. E. (1985), "The Role of Branding in International Advertising," *International Journal of Advertising*, (4): 24-31.

Plummer, Joe T. (1986), "The Role of Copy Research in Multi-national Advertising," *Journal of Advertising Research*, (October-November), 11-15.

Prensky, David, John A. McCarty, and James Lucas (1993), "Vertical Integration and Advertising Agency Participation in Integrated Marketing Communications Programs," AMA Summer Marketing Educators' conference. *(check first with Prensky abt this acceptance)*

Ramprasad, Joytika and Kazumi Hasagawa (1992), "Creative Strataegies in American and Japanese TV Commercials: A comparison,"*Journal of Advertising Research*, (January-February): 59-67.

Rice, Marshall D. and Zaiming Lu (1988), "A Content Analysis of Chinese Magazine Advertisements," *Journal of Advertising*, 17 (4), 43-48.

Sorenson, Ralph Z. and Ulrich F. Wiechmann (1975), "How Multinationals View Marketing Standardization," *Harvard Business Review*, 53 (May-June), 38-54, 166-167.

Sriram, Ven and Pradeep Gopalakrishna (1991), "Can Advertising be Standardized Among Similar Countries? A Cluster-Based Analysis," *International Journal of Advertising*, 10 (2), 137-150.

Symanski, David M. Sundar G. Bharadwaj, & P. Pajan Varaddarajan, (1993) "Standardization Versus Adaptation of International Marketing Strategy: An Empirical Investigation," *Journal of Marketing*, 57 (October): 1-17.

Synodinos, Nicolaos E., Charles F. Keown and Laurence W. Jacobs (1989), "Transnational Advertising Practices: A Survey of Leading Brand Advertisers in Fifteen Countries," *Journal of Advertising Research*, (April/May):

Tansey, Richard, Michael R. Hyman, and George M. Zinkhan (1990), "Cultural Themes in Brazilian and U.S. Auto Ads: A Cross-Cultural Comparison," *Journal of Advertising*, 19 (2), 30-39.

Thorelli, Hans B., Helmut Becker, and Jack Engledow (1975), *The Information Seekers: An International Study of Consumer Information and Advertising Image*, Cambridge, MA: Ballinger Publishing Co.

Tse, David K., Russell W. Belk, and Nan Zhou (1989), "Becoming a Consumer Society: A Longitudinal and Cross-Cultural Content Analysis of Print Ads from Hong Kong, the People's Republic of China, and Taiwan," *Journal of Consumer Research*, 15 (March), 457-472.

Unwin, Stephen (1974), "How Culture Affects Advertising Expressions and Communication Style," *Journal of Advertising*, 3 (Spring), 24-27.

Whitelock, Jeryl and Djamala Chung (1989), "Cross-Cultural Advertising: An Empirical Study," *International Journal of Advertising*, 8 (3), 291-310.

Organizational Dimensions of Standardization

by

Sandra E. Moriarty, Professor
Thomas R. Duncan, Associate Professor
School of Journalism and Mass Communication
University of Colorado
Boulder CO 80309

Submitted for review to the Research Section, Advertising Division
Association for Education in Journalism and Mass Communication

Organizational Dimensions of Standardization

-Abstract-

The challenge for many companies involved in global advertising is not so much how to maneuver through the shoals of cultural differences as it is how to avoid the structural rocks. This paper analyzes the organizational management dimensions of the standardization debate from the viewpoint of advertising practitioners involved in making strategic decisions for accounts handled by their agencies.

Organizational Dimensions of Standardization

The debate over international advertising standardization versus localization has been aired in professional publications and academic journals and the viewpoints usually represent either top executives in multinational headquarters or academics who have content analyzed a selection of ads or surveyed top executives. This study reports on a series of interviews conducted on-site in the offices of international agencies in Hong Kong, Tokyo, Kuala Lumpur, London, and Athens. The objective was to record how these managers on the front line of international advertising see the practice and organization problems of standardization.

Review of Issues

Discussions in the trade press on global advertising, as well as the academic research, tend to focus on reasons why standardization works, should work, or doesn't work. The most commonly cited reasons for standardizing advertising include production economies and efficiencies as articulated early on by Elinder (1965), as well as consumer similarities (Levitt, 1983), global brand building (Pitcher, 1985), finding and exploiting good ideas, the availability of global media, and the dictates of clients (O'Brien, 1986). The reasons cited for not standardizing include cultural differences, regulations, product use differences, different levels of economic development and education, and management concerns. (Maljers, 1992; Rosen et al., 1988; Kirpalani et al., 1988)

Many studies of advertising standardization are content analyses of ads and they tend to focus on executional differences, themes, or embedded cultural values. (Graham et. al., 1993; Frith and Wesson, 1991; Mueller, 1990, 1987; Tansey, 1990; Tse et al., 1989; Rice and Lu, 1988; Hong et al. 1987; Choe et al., 1986; Madden et al., 1986; Dowling 1980; Marquez, 1975, 1979; Unwin, 1974)

More recently research into global advertising is considering the multidimensional nature of standardization making a distinction between strategy and execution. (Duncan and Ramprasad, 1993; Moriarty and Duncan, 1990; Hill and James 1990; Plummer, 1986; Peebles et al., 1977) Another set investigates different types, levels, and patterns of standardization from fully standardized and fully localized (Kanso 1991; Mueller, 1989; Whitelock and Chung, 1989; Synodinos et al., 1989; Dunn, 1976; Sorenson and Wiechmann , 1975; Donnelly and Ryans, 1969), to umbrella strategies with adapted local executions (Ramprasad and Hasegawa, 1992; Sriram and Gopalakrishna, 1991; Mehta, 1992; Hill and James 1990; Peebles, 1977)

Earlier studies also focused on different consumer responses to different products and advertising in different parts of the world (Thorelli et al., 1975; Green et al., 1975). There is also a growing body of literature on the issue of cultural imperialism whose premise is that Western advertising is (or is not) uprooting local cultural mores. Also appearing in the imperialism debate is a discussion of the need for and against culturally protective regulation. (Frith, 1990, 1989, 1988; Frazer 1990)

The missing topic from this body is literature is the organizational dimension. The efficiency question has merited investigation, however, the structural dimensions of the standardization question are rarely discussed. A recent investigation of resource allocation (Szymanski, et. al, 1993) begins to move the discussion in that direction as does Banerjee's work which makes the case for restructuring the organizational systems of the advertising industry in order to employ more decentralized and transnational collaborative approaches.

Hill and James (1990) analyzed the reasons for changing strategies as a function of the degree of independence of the local offices. The authors found that both the strategy and execution were more likely to be changed in the more affluent markets and in those markets where subsidiaries had higher sales. The authors believe that the stiffer competition and higher sales gave subsidiaries more leverage to do what they want to do--i.e. localize the message.

Organizational factors are presumed to have an impact on the practice of international advertising and they are the subject of this investigation. More specifically, how do multinational agencies--and their local agencies--work with multinational clients? How do regional and local offices work with headquarters? Who makes the decisions and how are the organizational problems sorted out by the practitioners in the local offices of the multinational advertising agencies?

The Interviews

An examination of basic management and organizational behavior theories relevant to the practice of international advertising was used to provide insight into practitioners' comments about the structural factors affecting standardization. These organizational concepts were used to frame an analysis of the practice of international advertising and to analyze the standardization decision and implementation procedures.

Insight into professional practice was gained from a continuing project of indepth interviews investigating the views and concerns of advertising executives who handle multinational clients from offices in England, Greece and several Asian countries. The objective was to test their views against the issues and debates in the literature on standardized advertising, and frame their comments with the theoretical literature from organizational behavior.

An expert panel of 15 key executives was interviewed in conjunction with the authors' trips to international markets to conduct marketing communication seminars. Over half of the members of the expert panel were heads of their agency offices. The names of the experts were selected using the following criteria: a senior vice president or higher who manage international client business in headquarters or branch offices of international agencies. The names meeting these criteria were obtained from personal contacts the authors had with top management in the agencies' headquarters. More than half of the respondents to date had worked in at least one other part of the world and some in three or more. Each of these indepth interviews lasted at least an hour. The Far East interviews in Tokyo, Hong Kong and Kuala Lumpur were conducted in the summers of 1992 and 1993, the London interviews were conducted in the spring of 1991 and 1992, and the Greek interviews in the fall of 1992. Follow-up clarification interviews continued by fax in the fall of 1993. The following participated in the interviews:

Richard Zobel, President, Leo Burnett-Kyodo Co., Tokyo

Charlie Whitelaw, Managing Director, North Asia, DMB&B, Tokyo
Ian Hamilton, President, Saatchi and Saatchi, Tokyo
Hironori Nagano, Dentsu, Tokyo
Tsutomu Okahashi, Dentsu, Tokyo
Jim Eiche, Vice President, DMB&B, Hong Kong
Warren Guthrie, Vice President, Leo Burnett, Hong Kong
Catherine Guthrie, Vice President, Leo Burnett, Hong Kong
Allen Chichester, Vice President, Leo Burnett, Hong Kong
Lau Peng Kai, Managing Director, Union 45 Chiat/Day/Mojo, Kuala Lumpur
David Miln, Director of Business Development, Saatchi and Saatchi, London
Paul Gergos, General Manager, Gnomi/FCB, Athens
Yorgo Zannias, Chairman, BBDO Group-Greece, Athens

Examination of the organizational factors found four categories of issues--the driving forces behind standardization, structural parameters, organizational levers, and procedures and processes.

The Driving Forces

The most prominent factor in standardized advertising is a concern for maximizing efficiency--both in costs and message impact--and that is essentially a headquarters concern. The standardization decision is also one that reflects a corporate philosophy and often the philosophy is one of cost containment.

Corporate Philosophy The decision to standardize is primarily a client decision. An important finding in this set of interviews is that the decision is often based on the client's management philosophy regarding centralization rather than on advertising message objectives and needs. As Zobel (Burnett, Tokyo) explained, "The advertisers are the ones who are driving the global issue, more so than the agencies." Whitelaw (BMB&B, Tokyo) also agreed: "It is largely driven by the client, not by the agency. If the client believes in global strategies, and sometimes possibly in global executions, they will want to use the strategy and elements of the execution all over the world." Eiche (DMB&B, Hong Kong) made the point that, "When our big global clients get serious about international, that's when we do too. And it leads us into new markets and everything we need to service them. "

A frequent observation of the interviewees is that global advertising is fluid and dynamic; there is no one way--or right way--to do it. The respondents described a variety of levels and types of standardization they confront daily. They point out that standardization is not an either/or decision and that it is applied in varying degrees to both strategy and execution. In other words, companies engaged in international business use a variety of organizational approaches and that adds to the complexity of the agency's responsibilities.

Chicester (Burnett, Hong Kong) explained that some big multinationals are consistently global in philosophy; some are locally focused; but many are somewhere in between. Several of the executives made similar observations:

> Clients may tend to be, in one extreme, totally centralized. The shots are called out of the headquarters. At the other extreme is the de-centralized client. And most clients, for one reason or another, are somewhere in the middle. Then may tend to be a little more centralized or decentralized, but there is a policy--or partly a philosophy--that the management of the company feels is right for them. There's also an intellectual thing, perhaps even an academic

> thing, that makes them want to be de-centralized, or mainly centralized. *Whitelaw, DMB&B, Tokyo*

The multinational companies and brands that were identified as mostly standardized include Lever, Coca Cola, and Marlboro. Procter and Gamble is seen as moving toward standardization particularly with new brands and brands going through reformulation or repositioning. Mars also is seen as moving toward standardization, particularly after renaming the successful Marathon bar in the U.K. to Snickers in order to establish a global brand. Nestle, however, has built its successful brands on largely localized advertising campaigns and Kellogg's was reported as "being all over the place."

> Marlboro is the most global product; but Marlboro is not one hundred percent global. In Australia, the American West doesn't play well; they've got their own cowboys, and they're not impressed with the cowboys of the American West. In most ways, Phillip Morris has brilliantly managed that brand. *W. Guthrie, Burnett, Hong Kong*

These differences affect how the advertising is created. For example, Gergos explained that, in the case of Colgate, his agency is involved with a mix of creative products; it gets some video that was created and produced in American and other Europe markets that they adapt, and they also make and produce some video specifically for Greece. For Nestle, however, everything is produced locally in Greece. In other words, the amount of local production Gnomi initiates depends upon the client's philosophy of business.

Efficiency Many articles on standardization discuss the economies created by common production as a reason for using standardized advertising. According to our interviewees, economies and cost containment issues are important driving forces behind many changing practices in the behavior of organizations. Giest and Hardesty, for example, discuss the transformation of hospitals and the changing work roles of health care practitioners that have resulted from the "the business mentality" imposed by new forms of health care delivery. (1992)

Hamilton (Saatchi, Tokyo) agrees that efficiency is a major factor in standardization: "I think most of this striving for global campaigns is cost driven. The client doesn't want to spend all that money on new production." He referred to his European community experience and observed that, "The strategic value of Pan-European branding, for example, lies in the scale of economies it affords...to help make the company the low cost producer."

Eiche (DMB&B, Hong Kong) also referred to the efficiency angle but from the viewpoint of the local manager. "If I can borrow something that somebody else has used somewhere else, and it works, I've just saved a lot of energy and time that I could use on some other project." He makes the point that in Asia, for example, P&G is fairly new to the market, "so everybody is stretched."

> You want to get going as fast as possible; everybody's got too much work to do. If you can get an idea where you don't have to spend the months and months it takes to come up with something good from scratch, if you can shortcut all that, then you just have that much more energy to work on the thirty zillion other things you've got to do. So it's really a way to make the most out of our organization.

Two other reasons frequently mentioned in the efficiency discussions were the transferability of a good idea and speed, both of which reflect the intense competition companies are confronting in the marketplace.

> •It's so much faster to expand around the world, based on one campaign, than it is to have each country develop its own, and get it right the first time. And since you know that today the technological advantage will last you much less that it used to, speed is, I think, a major thing. *Zobel, Burnett, Tokyo*
>
> •Procter & Gamble is trying to be very, very global, as far as its corporate strategy. Basically for them it's because they have built a lot of better mousetraps. Those better mousetraps don't last very long in this very competitive world--they figure they have six or eight months, before somebody else gets the technology...But if you look across P&G, you'll still see a variety of approaches. *W. Guthrie, Burnett, Hong Kong*

In other words, the efficiency that comes from leveraging a strong brand identity--or a great creative concept--is another reason for standardizing advertising. A number of respondents mentioned how difficult it is to come up with breakthrough creative; once you have found a great idea it makes sense to get extra mileage from it. They pointed out that for products distributed in more than two or three countries, it may take too long to come up with a great idea in every local market. Several respondents mentioned that often in smaller markets the talent doesn't exist to do consistently "great advertising." Furthermore, they noted that the really big creative idea tends to travel easily across borders.

> When you have an extremely powerful idea, like Marlboro, it is used pretty much the same everywhere. It wasn't used around the world because of speed. It has taken 25 years to roll that product around the world. It was used because it was a magic campaign: nothing works as well as that. It has taken many years to get some markets to use it, but the cowboy campaign always works better than anything else. Marlboro is a very dangerous example because it is, I think, unique--it is the magic campaign. But if you have a really powerful idea, you want to use it everywhere. *Zobel, Burnett, Tokyo*

Effectiveness Few of the executives mentioned effectiveness as a factor driving standardization. Eiche did make the point that efficiency is only one of the important decision factors and that it has to be balanced against effectiveness: "Obviously there are a lot of advantages from a business point of view, so the pressure is always going to be pushing you that way." In other words, in his view business pressures have to be balanced by a concern for advertising that works: "If it's not working anymore, then that means your business isn't growing." The lack of comments about effectiveness probably mirror the view of these executives that the decision is based more on the client's need for efficiency than on the message needs.

Structural Parameters

The primary structural concerns are focused on centralization and control issues and how they are played out between headquarters and local offices, as well as how they are reflected in the agency-client relationship. Agencies are composed of professionals and the primary characteristic of professionals in the work environment is a sense of autonomy which is exhibited in a willingness to assume professional responsibility and demand decision making authority (Geist and Hardesty, 1992). As agency management works to establishes the complex organizational relationships necessary for international advertising programs, the centralization and control issues become very complex issues.

In open systems, the changes needed to manage complex structures are open to negotiation; in closed systems the structures may be more rigid and bureaucratic, a problem described by Presky et.al. (1993) in their discussion of the organizational problems integrated marketing programs are facing. They noted the constraints of long-standing organizational arrangements and unswerving commitment to past structures that have outlived their usefulness in an analysis of the organizational dimensions of integrated marketing communication and concluded that corporate traditions and self perpetuating bureaucracies limit consideration of new strategic options. Agencies moving into new forms of international and global advertising must be alert to the constraint of past structures.

Centralization The critical issue in advertising for a global brand is determining how much standardization is required or how much localization is permitted. This concern is also parallel to the organizational issue of centralization and decentralization and inevitably both challenge the old organizational patterns.

Banerjee (1993), for example, makes the case for reengineering the organizational systems of advertising agencies in order to employ more decentralized and transnational collaborative approaches. Intra-office collaboration is not a practice that has been valued highly in the past in the advertising industry and the introduction of such practices on a transnational basis will call for creative management, a task not made easier by Prensky's notions of corporate traditions.

The interviewees observed that the degree of centralization within the client corporation is a major factor in determining whether standardized advertising is even feasible. Within the agency organization, however, the question is: are all major strategy decisions made at headquarters or are managers in the field allowed to make some or all of these decisions in response to local conditions? In top-down systems, local agencies follow procedures and implement strategies; in bottom-up systems local agencies are allowed to revise, modify, and invent new procedures and practices, as well as creative ideas, and suggest those to headquarters. If centralization issues and procedures have not been negotiated between local offices and headquarters, they can lead to suspicion and resentment.

As Hill and James (1990) found, the reason for local adaption of a message strategy is largely a function of the degree of independence of the local office, particularly in strong competitive markets where the competitive situation becomes a rationale for doing what the local agencies want to do--localize the message.

Resistance The desire for local autonomy reflects a natural distrust of headquarters by local managers who feel that their local interests may be ignored in order to create a universal brand message that may not even work as well in that market. According to Hamilton, there are sometimes very good reasons why it won't work and the problem headquarters has is listening and sorting out the valid reasons from the defensive responses. He explains his involvement with the use of a global campaign in Japan developed by one of his agency's clients.

> It's a very peculiar campaign. I saw the stuff and I thought, "We'll test it, but I'm telling you now, forget it. It ain't going to work." And I immediately became "that negative guy" out there in Japan, and what does he know, and all that stuff. As so we tested it, and it was a dog, an absolute dog.

A similar distrust can also exist at headquarters where there is a temptation to dismiss anything coming up from the local offices as not being of the same quality as that developed at headquarters. Jim Eiche (DMB&B, Hong Kong) described this type of resistance:

> In New York home offices, the idea of borrowing ideas from international was really not the thing. Everyone there wanted to use their own stuff. And I certainly felt that way when I was there. It was like, "What the hell could I learn from Italy or somewhere like that?"

Those kinds of comments and the attitudes they represent can be a irritant in an organizational relationship. Zobel said that standardized advertising could even be looked at as a form of corporate cultural imperialism. The assumption is that "since it's what we're using in the U.S., it must be right." The imperialism aspect is what creates resentment at the local level.

Bottom-Up Systems Top-down standardization trades the insight of the local manager for maximum control and, presumably, maximum efficiency in both cost containment and brand impact. Standardization, however, doesn't have to be a product only of a centralized system; it can also result from a bottom-up approach. The practitioners noted a number of experiments with bottom-up systems that encourage creativity at all levels. P&G, for example, uses a procedure known as "search and reapply" where the best ideas are collected from local operations and then spread throughout the organization.

The new product idea that bubbles up from below may put some unexpected pressures on the headquarters/local office relationship, particularly when it is a product idea originating with the advertising agency. For example, the Gnomi FCB agency in Athens came up with a good idea for Nestle, a company that is essentially decentralized. But the product idea and accompanying creative strategy were strong enough to export to other markets. Gnomi's creation of a brand new product for the Greek market–a frothy iced coffee product which the agency named *Nescafe Frappe* is a case study of how good ideas can move out and up. After it was successfully exported to Italy, Gergos suggested that Nestle start marketing it in other markets in the temperate zone. The problem was that the frappe idea called for a different way of looking at instant coffee and that challenged the corporate Swiss headquarters, because, as Gergos pointed out, what his agency had done was reposition a coffee product from a hot beverage to a fun refreshment. Nestle knew how to sell the ambiance of coffee but had to rethink how to sell a refreshment beverage.

Control In discussing the structural impact of integrated marketing communication programs, Prensky et.al. (1993) argue that the ability to control procedures is critical to organizations striving for efficiency. Likewise, standardization is a question of systems control for both the agency and the client and debates about standardization inevitably interact with efficiency concerns and centralization issues. Whitelaw said the issue for most clients is, "Control--in a word, control–the extent to which they can control their operations around the world." This varies on both the client and agency side and reflects internal structural factors as well as external factors such as the economy and market strength.

In some cases, Whitelaw explained, companies may have strong centralized financial control but less centralized marketing control over their regions. And in those cases where there is less centralized marketing control, the local marketing managers, and their agencies, are accustomed to making their own decisions without interference from headquarters. He observes, "It's very tough to sell the local managers on a given marketing concept." This is exacerbated by recessionary times when local managers are being pressured to report more sales and higher shares. As in the case with intensely competitive situations, managers dealing with economic downturns also demand more local autonomy. In those situations local advertising is inevitably more valued than standardized advertising.

The opposite situation may be true for managers of agencies in weak or developing markets who lack the strength to create quality local marketing and advertising programs; standardized advertising provides an expedient answer to this problem. Third world consumers, for example, may find themselves looking at U.S. advertisements, not because U.S. ads are presumed to be better, but because there isn't a local advertising industry that can produce the same quality of work. As markets mature, they tend to do more locally produced work, particularly with more expensive advertising formats such as television commercials.

The client side in a local market also may not be able to make decisions on the wisdom, value, and limitations of a global campaign. As Zobel explains, organizational depth can be a problem for the client as well as the agency:

> The brand management the clients have--forget the agency side of the equation--may not be as strong all over the world. In some places, I'm sure the clients don't have much faith in their managers, so they think that the odds of getting it right the first time are not that great.

Guthrie also noted the importance of the client's system of organizational control, "I think the corporate organizational structure is perhaps one of the most important factors in the decision; very few corporations are set up in a way that enables them to even make that decision [standardization]." He observed that the perceived efficiency of the large multinational company is often a myth.

> You're ahead of the game when you've got a multinational client that's got just a strong regional focus, without even saying anything about a global focus. There is a perception that a lot of people have, that there's a certain magic out there with these multinationals and how they're organized. Mostly they're struggling. The vision of their efficiency and their ability to get things done is way overplayed.

Other interviewees agree that the client's structure is important but they also note that it may not be as efficiently organized as the client would like to think.

> I think the corporate organizational structure is perhaps one of the largest factors in a standardization decision. Even the ones that we consider to be the most powerful multinational organizations typically have regional or local areas of power within the organization that preclude headquarters from saying, "You will use this campaign".... You're ahead of the game when you've got a multinational that's got a strong regional focus, and can bring the local organizations in line under that regional focus--without even saying anything about a global focus.... There is a perception that a lot of people have, that there's a certain magic out there with these multinationals and how they're organized. I think mostly that they're struggling. I think it's way over blown, in terms of the efficiency and the ability to do things that a person with vision really thinks should happen. *Chichester, Burnett, Hong Kong*

Whitelaw agrees with that observation and says that client desire to standardize is not enough; the company must have the power to mandate what the local offices will do and that becomes an issue of control.

> Starting out to do a global campaign can only happen with a client that is structured in a way that it can mandate a global campaign. Otherwise it's just an academic exercise. They can do it--somebody can have their New York agency do it, but they can't implement it. Or they can convince some countries to buy into it for one reason or another, but others won't. So it really has to start with the ability to actually follow through with global implementation.

In the tug of war for control, as local markets become more developed and financially strong, they also become more powerful and demand more local control.

According to Whitelaw, Coca-Cola lets its bottlers develop their own advertising in Japan, one of the few markets in the world where such freedom is permitted by the otherwise centrally directed company. In addition to being a huge market, the bottlers have also been able to convince the company that outsiders are unable to develop effective advertising for Japanese consumers.

> Japan is the one execution. Japan does not follow the world-wide global strategy. And that's simply because the Japanese market is so big, and the Coca-Cola business is so profitable here, that the bottlers--who are independent businessmen run their own thing. They simply will not accept the importation of a global campaign. It's a power issue. Coca-Cola could force it, but they probably wouldn't succeed, because it would really irritate the bottlers. And they would win the battle but lose the war because the bottler s wouldn't cooperate with new product introductions and local promotions. And probably the bottlers, if they were really upset, would ask to renegotiate the cooperative advertising agreement. So once again, it becomes a question of power. Even though Coca-Cola is about as centralized as a company can get, in terms of its marketing and other things, Atlanta doesn't mess around with Japan. They let them do their own thing.

The opposite is also true, the less important financially a market is to the company, the more likely it will be required to use a standardized campaign.

For advertisers marketing in Malaysia, however, there isn't a choice about using standardized advertising executions as government regulations demand that all production be done in Malaysia and all actors be Malaysians, a requirement that has given the Malaysian advertising production industry a real boost. Lau (Union 45 Chiat/Day/Mojo) explains that all advertisements have to be produced locally and feature local talent and locations. However, 20 percent of the footage may be foreign for scenes like snow-clad mountains which are not found in Malayasia. Lau says that the regulation, which international advertisers dislike, only protects the local industry and compares it to similar policy in Australia.

For that reason, many advertisers planning an Asian campaign shoot spots in several "ethnic" versions at the same time in Malaysia since the country has a varied ethnic mix that reflects many major population groups--Malay, Chinese, Indian, and Thai. Lau points out that "more and more foreigners are setting up shop in Malaysia and our film industry has benefited as a result."

Structural Matching As our executives have stressed, the client drives the standardization decision, however, another important finding from these interviews is that client organization also dictates agency organization--at least for that client's account. As Miln (Saatchi, London) pointed out, "It a structural thing. It all depends on the way the client is organized. And the agency has to match that organizational setup." In other words, not only does the client determine if standardization will be attempted, it also determines the organizational parameters within which the work is created and executed by the agency. In practice, however, many multinational clients are not as well organized as they might like and the structure need to manage a global campaign is often not in place

Organizational Levers

The philosophy and culture of the corporation--both agency and client--are important tools of standardization as are the incentive and reward systems that undergird the practitioner's sense of professionalism. How these support systems are leveraged determines how successfully the agency can manage its headquarters/local office relationships. The problem comes, as Geist and Hardesty note, from collisions over what is valued and rewarded and that conflict is intensified in times of change or transition such as when advertising professionals who have previously worked locally become involved with multinational accounts.

Corporate Culture Although corporate philosophy on the client side determines whether a standardization strategy is considered, the corporate culture on the agency side determines how easily the standardization strategy is implemented. The problem is the resistance to"imposed" ideas and the prevalence of an uncooperative attitude which is referred to as "not invented here" or NIH. Zobel (Burnett, Tokyo) pointed out the tendency by local offices to find "any excuse not to use it." He explained , "As soon as the advertising comes, everybody looks at it and is figuring out what I can say to sell the fact that this will not work here? Why it won't work, is the first reaction." He explains,

> "Nobody wants to use it voluntarily. And they'll find any excuse not to use it--and it comes just as much from the client side as from the agency. The brand manager or the advertising manager wants to develop his own ads so usually you have an alliance between the local marketing people and the local agency."

The respondents made it clear that this "not-invented-here syndrome" problem is universal. As Warren Guthrie explained, "there isn't a high-profile effort to surmount that kind of resistance, because the 'not-invented-here' syndrome is alive and well all over the world." Hamilton also believes "the NIH factor" can be licked only if everybody is given a shot at coming up with ideas. The solution is an emphasis on a culture of collaboration and the recognition that good ideas can come from anywhere.

Incentives and Rewards NIH masks a very difficult problem, not only with local autonomy, but also with the local pride and confidence needed to stimulate the creative process. As Zobel observes, "I would say the agencies have a natural feeling against using standardized advertising, simply because every local agency would rather be doing its own creative work." in other words, standardized advertising has the potential to limit local agencies' activities to media placement and, in the process, short circuits the creative process.

Where do standardized campaigns come from and how do you keep the ideas flowing both up and down the creative veins of an agency? This question ties back to our previous discussion of bottom-up systems. A few campaigns for new products have been created initially as global and, in most cases, they were designed as top-down campaigns--such as the launch campaigns for European cigarette Raw Silk and Natrel deodorant, both designed as pan-European products. Although standardized campaigns are easier for new products, Guthrie (Burnett, Hong Kong) pointed to Max Factor as an older product that was converted to a global campaign.

> P&G recently bought Max Factor and decided, 'Okay, from ground zero, we're going to operate this globally.' They have one shop in New York--a fashion boutique agency--that will create one worldwide campaign. And we basically work with them and distribute it and put everything in place through research and media planning. So that's one approach to an execution that literally runs everywhere. That's the ultimate approach to being global and using standardization.

Such cases are fairly rare, however. Zobel, who has worked in South America, North America, and the Far East said he knows of only one really global campaign that was designed as such and that was for a soft drink. It took nine years and three campaigns to get it right. A global campaign was requested by the client from the very beginning, however the advertising had to fit some unusual markets where its sales were particularly strong such as the U.K., South America, and the Arab countries. The standard campaign with bathing suits and other Western lifestyle cues, of course, wouldn't work in the Arab countries. It took a number of years to find the creative approach that could be adapted to all these environments.

More often standardized campaigns are found, not created, and that's why management systems that encourage bottom-up ideas are important. The Impulse campaign theme, for example, features a stranger giving flowers to a woman on impulse which started in South Africa and was eventually used worldwide. The experts report that it is much tougher to design a global campaign from scratch than it is to find a good idea that has been used and tested locally and then export successfully to other markets until it eventually becomes a global campaign. Hamilton explains how that has worked in his experience with P&G accounts:

> The way that Proctor has always worked has been, 'We have this campaign for Ivory soap, which is doing a hell of a job in Brazil. Why don't we try it in Pakistan?' So the guys in the Pakistan agency are given all the information and then told, 'Well make a few little minor adjustments, and let's give it a shot.' Hopefully it works in Pakistan. So then they say, 'Now, let's try it in China' and gradually over a period of years, more and more people get to hear of this campaign. It becomes something that's know within the company, and people say, 'That really works: I'd like to try it here in the Philippines.' In my experience, that's how the real global campaigns have developed.

The Asian Whisper campaign (the feminine hygiene product named Always in the States), featuring a woman dubbed "Mrs Whisper," developed by exportation. The strategy was one of a confident woman talking directly to other woman about this new product she has discovered as if they were two woman talking to each other personally. Eiche described the various iterations the "Mrs. Whisper" character went through as she was tested against perceptions of women and how they talk and project themselves in China, Thailand, Taiwan, Japan, the Phillipines, Hong Kong and Singapore. As the strategy and concept were refined, the executions were adapted to accommodate local perceptions and now this Asian campaign is being moved to Canada, the States, Latin America, and now Europe.

For those companies considering standardized advertising, one of the most puzzling questions is where will the new creative ideas come from? Zobel and Hamilton have found that, in their experience, good ideas often start out local and then move global. If top-down campaigns are the rule, then that practice may cut off the new idea stream. Hamilton called this the downside of global advertising. He explained that, "People in country A or B will say, 'The hell with it. I'll just take the money and run.' They want me to run the campaign. That's fine. I'll let our creative dogs loose on something more interesting."

But how can you design and manage a process that would also encourage the development of a lot of different ideas, allowing the best ones to rise to the top, at the same time providing the efficiencies of centralized production? As Hamilton explained, "there has to be both discouragement from using something else, but encouragement to try to beat what you've got, to do something better."

> What should happen, what ought to always be happening, and certainly for a time when I was working in the Kodak business, was happening, is to beat the campaign. Every agency had to attempt on an annual basis to beat the benchmark campaign. This was exciting stuff for the creative guys. 'Here's this campaign, everybody knows it, and we're all tired of it except maybe the consumer. So, go beat it. Here's how we'll judge how good you are against these criteria, and do this kind of research or that kind.' And for the creatives, that's a hell of a challenge, because they know if they can beat it locally, their campaign may well become the new world campaign. *Hamilton, Saatchi, Tokyo*

Hamilton referred to an experience he had with a former agency where ideas were developed through a process called "creative exploratories" that was designed to encourage competition. While that experience was a shoot-out, he sees need for an approach that will, in a positive way, stimulate ideas coming from different agencies in the network either in competition or collaboration. If it works, then "the guys in Singapore know the guys in Hong Kong; and they all know everyone is working on it and they all want their work to be used. And when everybody sees the stuff, you hear comments like, 'That's good, that's really good.'" When everyone is involved at that level and everybody is given a shot at the big creative idea, it can defuse the NIH factor and encourage a more collaborative corporate culture.

The only danger is, as Hamilton pointed out, there may be a tendency at headquarters to impose too many controls in its attempt to insure that the idea will travel or fit traditional client advertising guidelines.

> The big danger is that headquarters people start to establish a set of rules that says, "Here's how you do the campaign--the headline has to have six words in it and the words will be this big. And then there will be a picture and it'll be that big, and the copy can have no more than 48 words. In the television commercial, the first 3 1/2 seconds you have to establish this," and the whole thing just becomes a mechanical exercise rather than a creative challenge.

A centralized philosophy also hurts the cultivation of local talent. As Zannias explained, a top-down approach means all the good local talent will want to move inevitably to the central office so they can be in the game. And good creative people in big offices often wind up being managers which is counter productive if the objective is to encourage ideation by the best and brightest.

> Initially the best guys can often be found in the local markets. If you are a brilliant person living in Turkey, the Turkey agency can't afford to pay you. So they will move you to headquarters. What happens then? There's a system that turns them into administrators--less aggressive, soft, less advertising saavy; become good in PR. They become more like a politician--how can I trust if you if you have survived for 25 years in this business. The same thing happens at the corporate level. The company should create a system that allows these guys to grow within the company without turning them into grey-flannel ordinary executives. *Zannias, BBDO, Athens*

Procedures and Processes

What these comments are leading to is a recognition that new procedural forms are needed in most agencies to manage the cultivation of the best ideas and the brightest people. New processes may also be needed to decide who does the work, how information is managed, and how resources are allocated.

Task Organization Defining the task and deciding who is responsible for it is a critical organizational problem, one that is exacerbated by the complexities of global advertising programs. Giest and Hardesty (1992) discuss task organization in terms of *task claiming*, when a professional lays claim to a particular area of responsibility, *task discovery*, when professionals discover areas that have been left uncovered, *task proferring*, when one suggests that a task belongs to someone else, and *task stripping*, when someone is removed from responsibility on the grounds that the task is inappropriate for them. Agencies handling international accounts go through all of these adjustments as they confront the problem of task organization. Conflict is particularly serious when local professionals are involved in task claiming and headquarters is engaged in task stripping.

Added to the challenges created by the client's organizational structure is the difficulty managing the work of more than one agency. Speaking from a client's viewpoint, Zobel observed that, "It's very hard to do standardized advertising if you have more than one agency, because then you have even more resistance; it is bad enough when you use one agency."

In the Max Factor story cited earlier, Guthrie described a situation where a fashion boutique in New York handled the creative and Leo Burnett handled the research, media planning, and other aspects of rolling the campaign international. It worked but only because Burnett respected the contributions that the fashion focused agency could bring to the strategy. From most major agencies' viewpoint, however, standardized strategies can be particularly difficult when there is more than one agency involved. Guthrie explained:

> Invariably, there's a lead agency campaign. There's usually one that produces the work, at least the work on which the other work is based." Sometimes the lead agency gets to review the new work; sometimes not. "It depends on the relationship between the lead agency and the client. At Phillip Morris, it does happen that way, because of our relationship with them.

Dentsu's headquarters in Tokyo is on the front line of United's advêrtising in Japan handling work and ideas that often originate in the Leo Burnett offices in the States. Nagano and Okahashi explain that when they meet with United in Chicago, Burnett representatives are not in the meetings. In other words, the two agencies work separately, although they do exchange ads . The decision on what to standardize and adapt seems to be made between Dentsu and the client with the client representatives often coming to Tokyo to consult on the details.

Information Management Another dimension of the structural problem is information--how to get it, share it, and make it accessible to the people who need to know it. That's true up and down within both the client and agency organizations, as well as between the client and agency. Guthrie sees information and communication as two of the most important factors in globalizing advertising, next to structure and organization. How that information is collected and reported creates its own organizational problems. Guthrie explains:

> Information is the whole game. If something's really working in France, I want to try it, right? We saw that in the last year in the Burnett company. We started really traveling a lot. I think that's important. I also think as that process matures, you start traveling a little bit less, because it costs so damn much. You start having other types of communication taking its place and you start putting in reports the information the information that takes the place of that travel.
>
> I think the next thing that will happen is to get beyond the sheer communication of what's going on here, what works there, let's try it here--to managing globally. Keeping up is part of the information flow so getting that information is a big part of the battle. But then, it's

> like, "How can we use that information to be smarter and lead people--our clients and our agency." It's one thing to communicate; it's another thing to use this information and the organizational matrix to start leading regionally and globally. The emphasis will change from keeping up to leading.

In international advertising, the complication of multiple agencies also exacerbates the problem of proprietary data and ideas. Competition between agencies may very well be fought on platforms of information.

Resource Allocation This discussion of information, and the research and information management systems needed to utilize it, brings us to the topic of resource allocation. Deciding who gets what is a management problem in any agency or agency network. When the network crosses national borders and continents the resource allocation processes need reexamination because there may be costs associated with transnational advertising for which there are no budget items or different patterns of costs may put stress on different parts of the budget. (Szymanski, et. al, 1993)

Cost containment is a goal of efficiency, however, cost distribution in an international program is a challenge to local as well as central budgets. In particular, creative budgeting is needed to compensate local agencies who do the idea work for the entire organization. A major stumbling block, in other words, in using material from another country is deciding who pays for what? Zobel (Burnett, Tokyo) discussed the budgeting problems involved in creating advertising that travels.

> Surprisingly enough, most companies have not worked out a way to fund co-productions. I'm talking about very big, well-established companies. For instance, the production costs of animated commercials of high quality is very high, and if you have an idea like Tony the Tiger, obviously you want this commercial to work globally. Whatever country that produces this commercial pays, everybody else gets it for free. We've gone to many of our friends and said, "We've worked out a way so we have production costs shared"--it never happens. The system doesn't exist to do it. People say, "The solution is to have a central fund to pay for these things." However there's enormous tax problems with that.

Like the co-production problem, creative exploratories may also bog down over questions of funding. Where do the budgets come from for the exploratory speculative work? Like Zobel's earlier suggestion, there may be a need for a central fund to either reward the winning ideas or pay for the additional production expenses--perhaps a creative R&D fund to develop creative ideas worldwide and test market them as to their transferability.

Conclusion

The challenge, for many companies trying to do global advertising, is not so much how to maneuver through the shoals of cultural differences, but rather how to avoid the structural rocks. Guthrie explains, "I think level one is first, get the organization right. And second, get the communication going."

The managers on the front line are juggling and balancing these factors daily. The complexity of standardization, however, makes it a challenge to develop principles of standardized advertising, checklists for teaching it, or even methodologies for researching it.

The most important finding from these interviews is that the decision to standardize is based more on the client's need for efficiency than on the needs of the message. Furthermore the agency's organizational structure used for the account's management may very well be designed to match the client's structure. Unfortunately, our executives also noted that few clients have effectively solved the organizational problem for international accounts and many doing global advertising are handicapped by local and regional centers of power or by a lack of organizational depth and strength needed to direct transnational advertising programs.

In general, the client's structure dictates whether standardized advertising is even possible. Efficiency is a major driving force and interacts with corporate philosophies of centralization to affect the viability of standardization. Local adaption is a function of the degree of independence of the local office. Resistance comes from distrust--both of the local offices by headquarters and headquarters by the local offices. Bottom-up standardization procedures and collaborative systems can be developed depending upon how much encouragement the corporate culture gives to innovative management concepts.

Control practices vary in both agencies and clients depending upon the internal structure (organizational strength and depth) and external forces. As local markets become more developed, they demand more control. In the case of intense competition, as well as recessionary periods, local managers will also demand more autonomy.

Another important finding is that standardization in practice is rarely an either/or decision. Our interviewees tell us that, even though we talk about standardization as if it were a simple decision, in reality standardization can be applied in varying degrees to both strategy and execution.

Global advertising needs organizational support and the way an agency leverages its international capabilities depends upon its corporate culture, which governs attitudes such as the not-invented-here response, and its incentive and reward systems. Creative ideas for global campaigns are often found, not created at headquarters and sophisticated agencies need procedures for cultivating the best ideas and the brightest people, wherever they may be located. In addition, innovative organizations will develop new procedures for task organization (who does what) and resource allocation (who pays for what).

There is still much investigation that needs to be done in this area to answer such questions as: When should standardized strategies allow localized executions? When are the effectiveness of locally produced campaigns more than offset by the economies of standardized executions? How much time should each market be given to develop its own "good" advertising? When does the desire to "have control" via standardized advertising drown local creativity? When do cultural differences justify local campaigns? And finally: How should agencies be organized to allow maximum flexibility to deal efficiently and effectively with the various market situations and to stimulate the highest order of creativity?

REFERENCES

Choe, Jae-Hyun, Gary B. Wilcox, and Andrew P. Hardy (1986), "Facial Expressions in Magazine Ads: A Cross-Cultural Comparison," *Journalism Quarterly*, 63 (Spring), 122-126, 166.

Donnelly, James H., Jr. and John K. Ryans, Jr. (1969), "Standardized Global Advertising, a Call As Yet Unanswered," *Journal of Marketing*, 33 (April), 57-60.

Dowling, Grahame R. (1980), "Information Content in U.S. and Australian Television Advertising," *Journal of Marketing* 44 (Fall), 34-37.

Duncan and Ramprasad, 1992, "Amount of Standization/Localization and Use of Copy Research in the Practice of International Advertising," AEJMC Annual Conference, Montreal

Dunn, S. Watson (1976), "Effect of National Identity on Multinational Promotional Strategy in Europe," *Journal of Marketing*, 40 (October), 50-57.

Elinder, Erik (1965), "How International Can European Advertising Be?" *Journal of Marketing*, 29 (April), 7-11.

Frith, Katherine (1989), "Cultural Imperialism or Cultural Empiricism? A Critical Perspective," *Proceedings of the 1989 Conference of the American Academy of Advertising*, ed. Kim Rotzoll.

______(1988), "More Than We Bargained For: The Impact of Consumer Culture in Southesast Asia," AEJMC Annual Conference, Portland, OR.

Frith, Katherine T. and David Wesson (1991), "A Comparison of Cultural Values in British and American Print Advertising: A Study of Magazines," *Journalism Quarterly*, 68 (Spring/Summer), 216-224.

Geist, Patricia and Monica Hardesty (1992), *Negotiating the Crisis: DRGs and the Transformation of Hospitals* (Hillsdale NJ: Lawrence Erlabum).

Graham, John L., Michael A. Kamins and Djoko S. Oetomo (1993), "Content Analysis of German and Japanes Advertising in Print Media from Indonesia, Spain, and the United States," *Journal of Advertising*, 22 (June): 5-15

Green, Robert T. and Eric Langeard (1975), "A Cross-Cultural Comparison of Consumer Habits and Innovator Characteristics, *Journal of Marketing*, 39 (July), 34-41.

Hill, John S. and William L. James (1990), "Effects of Selected Environmental and Structural Factors on International Advertising Strategy: An Exploratory Study," *Current Issues & Research in Advertising*, 12 (1 & 2), 135-154.

Hong, Jae W., Aydin Muderrisoglu, and George M. Zinkhan (1987), "Cultural Differences and Advertising Expression: A Comparative Content Analysis of Japanese and U.S. Magazine Advertising," *Journal of Advertising*, 16 (1), 55-62, 68.

Johansson, Johnny K. and Hans B. Thorelli (1985), "International Product Positioning," *Journal of International Business Studies*, 16 (Fall), 57-75.

Kanso, Ali, (1991), "The Use of Advertising Agencies for Foreign Markets: Decentralized Decisions and Localized Approaches?" *International Journal of Advertising*, 10 (2), 129-136.

Levitt, Theodore (1983), "The Globalization of Markets," *Harvard Business Review* 61 (May-June), 92-102.

Madden, Charles S., Marjorie J. Caballero, and Shinya Matsukubo (1986), "Analysis of Information Content in U.S. and Japanese Magazine Advertising," *Journal of Advertising*, 15 (3), 38-45.

Maljers, Floris (1992), "Inside Unilever: The Evolving Transnational Company," *Harvard Business Review*, September-October.

Marquez, F.T. (1975), "The Relationship of Advertising and Culture in the Philippines," *Journalism Quarterly*, 52 (Autumn), 436-442.

______(1979), "Cross Cultural Research: A Decision Factor in Standardized Versus Non-standardized Global Advertising," *Gazette*, 25, 150-162.

Mehta, Abhilasha (1992), "Global Markets and Standardized Advertising: Is It Happening? An Analysis of Common Brands in USA and UK," American Academy of Advertising, San Antonio, TX, March.

Moriarty, Sandra E. and Thomas R. Duncan, (1991), "Global Advertising: Issues and Practices," *Current Issues and Research in Advertising*, 13 (1 and 2): 313-341.

Mueller, Barbara (1987), "Reflections of Culture: An Analysis of Japanese and American Advertising Appeals," *Journal of Advertising Research*, 27 (June-July), 51-59.

Mueller, Barbara (1989), "Degrees of Globalization: An Analysis of the Standardization of Message Elements in Multinational Advertising," *Current Issues & Research in Advertising*, 12 (1 & 2), 119-133.

Mueller, Barbara (1990), "Degres of Globalization: An Analysis of the Standardization of Message elements in Multinational Advertising," *Current Issues & Research in Advertising*, 12 (2): ??

O'Brien, Walter (1986). "Globalism: A Mirage or a Market?" Speech delivered to the AAAA International Seminar, Plaza Hotel, New York (March 10).

Peebles, Dean M., John K. Ryans, and I. R. Vernon (1978), "Coordinating International Advertising," *Journal of Marketing*, 11 (8): 569-576.

Pitcher, A. E. (1985), "The Role of Branding in International Advertising," *International Journal of Advertising*, (4): 24-31.

Plummer, Joe T. (1986), "The Role of Copy Research in Multi-national Advertising," *Journal of Advertising Research*, (October-November), 11-15.

Prensky, David, John A. McCarty, and James Lucas (1993), "Vertical Integration and Advertising Agency Participation in Integrated Marketing Communications Programs," AMA Summer Marketing Educators' conference. *(check first with Prensky abt this acceptance)*

Ramprasad, Joytika and Kazumi Hasagawa (1992), "Creative Strataegies in American and Japanese TV Commercials: A comparison,"*Journal of Advertising Research*, (January-February): 59-67.

Rice, Marshall D. and Zaiming Lu (1988), "A Content Analysis of Chinese Magazine Advertisements," *Journal of Advertising*, 17 (4), 43-48.

Sorenson, Ralph Z. and Ulrich F. Wiechmann (1975), "How Multinationals View Marketing Standardization," *Harvard Business Review*, 53 (May-June), 38-54, 166-167.

Sriram, Ven and Pradeep Gopalakrishna (1991), "Can Advertising be Standardized Among Similar Countries? A Cluster-Based Analysis," *International Journal of Advertising*, 10 (2), 137-150.

Symanski, David M. Sundar G. Bharadwaj, & P. Pajan Varaddarajan, (1993) "Standardization Versus Adaptation of International Marketing Strategy: An Empirical Investigation," *Journal of Marketing*, 57 (October): 1-17.

Synodinos, Nicolaos E., Charles F. Keown and Laurence W. Jacobs (1989), "Transnational Advertising Practices: A Survey of Leading Brand Advertisers in Fifteen Countries," *Journal of Advertising Research*, (April/May):

Tansey, Richard, Michael R. Hyman, and George M. Zinkhan (1990), "Cultural Themes in Brazilian and U.S. Auto Ads: A Cross-Cultural Comparison," *Journal of Advertising,* 19 (2), 30-39.

Thorelli, Hans B., Helmut Becker, and Jack Engledow (1975), *The Information Seekers: An International Study of Consumer Information and Advertising Image,* Cambridge, MA: Ballinger Publishing Co.

Tse, David K., Russell W. Belk, and Nan Zhou (1989), "Becoming a Consumer Society: A Longitudinal and Cross-Cultural Content Analysis of Print Ads from Hong Kong, the People's Republic of China, and Taiwan," *Journal of Consumer Research,* 15 (March), 457-472.

Unwin, Stephen (1974), "How Culture Affects Advertising Expressions and Communication Style," *Journal of Advertising,* 3 (Spring), 24-27.

Whitelock, Jeryl and Djamala Chung (1989), "Cross-Cultural Advertising: An Empirical Study," *International Journal of Advertising,* 8 (3), 291-310.

U.S. DEPARTMENT OF EDUCATION

OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT (OERI)

EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

Please return to:
ERIC/RCS
150 Smith Research Center
Bloomington, IN 47408-2698

REPRODUCTION RELEASE (Specific Document)

I. DOCUMENT IDENTIFICATION

Title: ORGANIZATIONAL DIMENSIONS OF STANDARDIZATION

Author(s): THOMAS R. DUNCAN AND SANDRA E. MORIARTY

Corporate Source (if appropriate):

Publication Date:

II. REPRODUCTION RELEASE

In order to disseminate as widely as possible timely and significant materials of interest to the educational community, documents announced in the monthly abstract journal of the ERIC system, Resources in Education (RIE), are usually made available to users in microfiche and paper copy (or microfiche only) and sold through the ERIC Document Reproduction Service (EDRS). Credit is given to the source of each document, and, if reproduction release is granted, one of the following notices is affixed to the document.

If permission is granted to reproduce the identified document, please CHECK ONE of the options and sign the release below.

CHECK HERE ➡ ☒ Microfiche (4" x 6" film) and paper copy (8½" x 11") reproduction

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

[PERSONAL NAME OR ORGANIZATION, AS APPROPRIATE]

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

OR ☐ Microfiche (4" x 6" film) reproduction only

"PERMISSION TO REPRODUCE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY

[PERSONAL NAME OR ORGANIZATION, AS APPROPRIATE]

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

Documents will be processed as indicated provided reproduction quality permits. If permission to reproduce is granted, but neither box is checked, documents will be processed in both microfiche and paper copy.

"I hereby grant to the Educational Resources Information Center (ERIC) nonexclusive permission to reproduce this document as indicated above. Reproduction from the ERIC microfiche by persons other than ERIC employees and its system contractors requires permission from the copyright holder. Exception is made for non-profit reproduction of microfiche by libraries and other service agencies to satisfy information needs of educators in response to discrete inquiries."

SIGN HERE ➡

Signature: Sandra Moriarty

Printed Name: SANDRA MORIARTY

Organization: UNIV. OF COLORADO
JOURNALISM & MASS COMMUNICATION

Position: PROFESSOR

Where to send complimentary microfiche-->

Address: CAMPUS BOX 287
Boulder CO

Zip Code: 80309

Tel. No.: (303) 492-1451

Date: 8/29/94

III. DOCUMENT AVAILABILITY INFORMATION (Non-ERIC Source)

If permission to reproduce is not granted to ERIC, or, if you wish ERIC to cite the availability of the document from another source, please provide the following information regarding the availability of the document. (ERIC will not announce a document unless it is publicly available, and a dependable source can be specified. Contributors should also be aware that ERIC selection criteria are significantly more stringent for documents which cannot be made available through EDRS.)

Publisher/Distributor:

Address:

Price Per Copy:

Quantity Price:

IV. REFERRAL TO COPYRIGHT/REPRODUCTION RIGHTS HOLDER

If the right to grant reproduction release is held by someone other than the addressee, please provide the appropriate name and address:

EFF-53 (Rev. 4/86)

BEST COPY AVAILABLE

GUIDELINES FOR COMPLETING THE REQUEST FOR REPRODUCTION RELEASE FORM

Under the present copyright law a reproduction release must be obtained for each document before it can be processed for the ERIC system. There are three options:

(Level I) Microfiche (4" x 6" film) and paper copy (8-1/2" x 11") reproduction

This option, which allows ERIC to make the document available on microfiche or in paper copy is most frequently chosen by authors. (77% of ERIC documents are entered as Level I.) This arrangement does not preclude later publication of the document or sale of a printed version by author or institution. However, if you have a limited supply of printed copies or if the document should go out of print, a copy of your document from which other copies can be made will always be available in ERIC.

(Level II) Microfiche (4" x 6" film) reproduction only

This option allows ERIC to make the document available throughout the system on microfiche only. It is most useful if you have a large supply of printed copies but would like to refer requestors to ERIC once your supply is exhausted. This arrangement does not preclude later publication of the document, or sale of the printed document by the author or institution. The ERIC copy of the paper serves an archival function. (13% of ERIC documents are entered in this way.)

(Level III) Document may not be reproduced by ERIC. (Complete Section III of the form.) The document will be cited with bibliographic information, an abstract, and availability information.

NOTE: It is recommended that materials be submitted at Level I or Level II to insure their future availability.

Communicating Crisis: One Corporation's Attempt to Frame the Issues

Lynn M. Zoch, Ph.D.
Assistant Professor
(803)777-3314
and
Sonya Forte Duhe', Ph.D.
Assistant Professor
(803)777-3321

College of Journalism and Mass Communications
The University of South Carolina
Columbia, South Carolina

Paper accepted for presentation to the Public Relations Division of the Association for Education and Mass Communication Annual Conference, Atlanta, GA, August, 1994

Abstract

Communicating Crisis: One Corporation's Attempt to Frame the Issues

Lynn M. Zoch, Ph.D. and Sonya Forte Duhe', Ph.D., College of Journalism and Mass Communications, University of South Carolina, Columbia, SC

This case study examines how Exxon, immediately following an explosion and fire in its Baton Rouge, Louisiana refinery, interacted with its employee, community and media publics. The study reviews literature setting forth the information that needs to be communicated during a crisis, the effectiveness of two-way symmetrical communication between an organization and its relevant publics during a crisis and the agenda setting function of corporate spokespersons in a crisis situation. The study finds that while Exxon communicated symmetrically with its relevant publics, and communicated information necessary to those publics in a crisis, it did not totally succeed in framing and shaping the media coverage of the incident.

Overview of the Case Situation

At 4:21 a.m. on August 2, 1993, an explosion and fire rocked the nation's second-largest petroleum refinery located in Baton Rouge, Louisiana. Exxon's emergency response teams, local Emergency Medical Services, Louisiana State Police and the East Baton Rouge Parish fire department's HAZMAT (hazardous materials) unit converged on the coker unit, scene of the fire. A short time later, so did the news media.

The CBS affiliate, WAFB TV in Baton Rouge, was the first news team to arrive at the scene. While WAFB TV was airing live coverage from the Exxon refinery on their 6:00 a.m. newscast, local ABC affiliate WBRZ TV's helicopter was sending live pictures of the fire from the air to their newsroom. Both stations reported receiving their information from the East Baton Rouge Parish Fire Department -- not from Exxon.

The first Exxon news release, distributed at approximately 7:00 a.m., two and a half hours after the explosion, reported that "there are three people reported missing as of 6:15 a.m., but no confirmations" (Exxon Press Release #1, 8/2/93). Three hours later, a 10:00 a.m. news release confirmed the missing persons report (Exxon Press Release #2, 8/2/94). While the fire was reported under control at that time, it wasn't until later that night that Exxon confirmed two fatalities (Exxon Press Release #6, 9:30 p.m., 8/2/93). A third fatality was confirmed by an Exxon spokesperson four days later on August 6 (Exxon Press Release #8, 8/6/93).

During this four day time period the Exxon incident was reported by 22 separate newspaper and 14 broadcast outlets. Local stations reported live from the site during days one and two, and several national television outlets, as well as those across Louisiana reported on the incident. Nine local and regional newspapers sent reporters to cover the story, and AP picked up the story on its wire.

After the initial early morning "news gap" by Exxon's public relations spokesperson at the plant, the company spoke with a calm, concerned and unified voice about the fire and subsequent loss of life. A first day late morning media briefing was held, spokespersons were available to the media, and regular updates were sent to local and statewide media outlets. Employees at the plant were kept informed of progress in finding and identifying the missing, were thanked for their professionalism in dealing with the fire, and notified of confidential counseling services available to them. Neighbors of the plant received an "information update" about air testing and the pick-up by Exxon of any debris that may have been caused by the blaze. Neighbors were warned that some of the materials might contain asbestos and not to pick up any debris themselves.

Review of the Literature - Public Relations Issues

Several issues relevant to the public relations role in times of corporate crisis are of interest and concern in this case study. The purpose of this research is to examine how one large corporation interacted with its employee, community and media publics during a crisis situation, and how it sought to frame media coverage of the incident.

Newsom, Scott and Turk (1993, pp. 538-39) tell us that organizational crises can be either violent or nonviolent. They can be caused by acts of nature, by intentional acts such as terrorism or, as is the case with Exxon, by unintentional events such as a fire or explosion. Three dimensions can be used to gauge whether a situation is determined to be a crisis by an organization -- its importance, immediacy and uncertainty (Dutton, 1986; Mitchell, 1986).

Communication to effected constituent groups during the turmoil created by a crisis is necessary to ensure that these groups "get important information about how to respond to the emergency" (Sturges, 1994, p. 297). While public relations researchers emphasize the importance of managing an organization's communication strategically by monitoring the external environment and determining who the people are that have a stake in the organization and most need to be both listened to and kept informed (Grunig & Repper, 1994), oftentimes practitioners focus more on "a defensive strategy of doing what is necessary to reduce the negative implication of not communicating" (Sturges, 1994, p. 299) or what Burson (1985) calls "damage control".

Sturges, in his 1994 article "Communicating Through Crisis" compiled three categories of information important for an organization to communicate in a crisis:

1) instructions that tell people affected by the crisis how they should physically react to the crisis (see Barton,1993; Quarantelli, 1988);

2) information that helps people psychologically cope with the magnitude of the crisis situation (see Kuklan, 1986; Shrivastava & Mitroff, 1987); and

3) information that people will use to formulate an image about the organization (see Newsom & Carrell, 1986).

Also of concern to communicators working within an organization such as Exxon is the whole area of risk communication. Risk communication can refer to "any public or private communication that informs individuals about the existence, nature, form, severity, or acceptability of risks" (Krimsky & Plough, 1988, p. 5). In this case study risk communication is involved in the way that Exxon employees handled the concerns of citizens living close to the plant. In the past five years risk communication has gone from being a simple one-way message developed by technical experts trying to persuade an uninformed and passive public about a risk, to the sharing of information about risk-laden issues with the public (Friedman, 1991).

The concept of sharing information as a component of risk communication has been taken a step further by the U.S. Environmental Protection Agency when they "set forth 'Seven Cardinal Rules of Risk Communication' that are normative, two-way symmetrical principles: Accept and involve the public as a legitimate partner; plan carefully and evaluate your efforts; listen to the public's specific concerns; be honest, frank and open; coordinate and collaborate with other credible sources; meet the needs of the media; and speak clearly and with compassion" (Grunig & Grunig, 1994, p. 317).

Two-way symmetrical communication, or dialogue, as conceptualized by J. Grunig (1984) is generally regarded as most effective in dealing with crisis conditions (Egelhoff & Sen, 1992). In public relations theory, symmetrical communication is based on the concept that "understanding is the principal objective of public relations rather than persuasion"(Grunig & Grunig, 1994, p. 289). Even in cases such as this one where much communication to interested, concerned and involved publics is through the media, a symmetric approach is workable because, as Hedebro tells us "media can give people content that helps them to exert control over their environment" (Grunig & Grunig, 1994, p. 320).

A final area of interest for those in the public relations role in times of crisis is that of agenda setting. This theory illustrates one of the possible ways in which the mass media can have an effect on the public. The basic idea of the agenda setting role of the media is that the media don't necessarily tell people what to think, but they do tell people what to think about (McCombs & Shaw, 1972). In this case, however, agenda setting is of interest in terms of who is setting the agenda for the media when reporting about the Exxon incident. "Public relations practitioners. . .help determine the issues attended to by the media and the manner in which issues are framed -- by subsidizing the collection and organization of information journalists need to create news. . . Practitioners thus play a role in framing and shaping media coverage of an organization and the issues important to an organization" (Dozier & Ehling, 1994, pp. 164-65).

From this review of the relevant public relations literature the following research questions were developed for this case study:

1. How did Exxon frame and shape media coverage during its August 1993 explosion and fire?

2. Did Exxon communicate each of the three categories of information (instructions, adjustment, and image formation) necessary in a crisis?

3. Was the communication as practiced by Exxon two-way symmetrical with the relevant publics?

4. After analyzing the communication strategies of Exxon, and the subsequent media coverage of the incident, what lessons can be learned for use during crisis situations?

Methods

To address these research questions about Exxon's August 1993 crisis and subsequent communications, a content analysis of both print (newspaper) and broadcast (television newscasts) was conducted, as well as a review of news releases and both external and internal news bulletins. The bulletin and news releases were obtained from Exxon public relations specialist Susan Hunt, who the researchers also interviewed for the study. Because a quantitative analysis was performed for this research the Hunt interview was used only for background information.

The researchers obtained a tape of all television news broadcast stories, newspaper articles and press releases on the incident. The print and broadcast stories were gathered by the Metro Press Clipping Bureau of

Baton Rouge, Louisiana. Although the scope of the clipping service is regional, due to the nature of the incident the service also provided some stories from national media outlets.

There were 86 television news stories and 36 newspaper articles provided by the clipping service. WAFB TV, the CBS affiliate in Baton Rouge which was first on the scene, also provided information on their first three news items about the incident, since the clipping service did not pick up their 6:00 a.m. newscast. Because the researchers did not receive information in the form of video news clips, but rather through telephone interviews with the news director and reporter on the scene, these stories were not included in the coding process. In addition, Exxon released eight news releases to the news media (See Appendix 1), as well as two internal updates distributed to Exxon employees (See Appendix 2), and one information update distributed to residents in the area around the Exxon refinery where the fire occurred (See Appendix 3).

For this study two outside trained coders content analyzed the newspaper and television news coverage, as well as the public relations news releases. Intercoder reliability was 97%.

Television News Coverage. For television news stories, the researchers determined the date and time of day of the broadcast and the television station where the story originated.

In addition to determining the number of individual news sources in the story, primary and secondary sources were also determined by the length of the interview (the amount of time the source actually spoke, not including the questions asked by the reporter).

Finally, the researchers determined the overall tone of the story. Stories with a favorable tone were operationally defined as including Exxon's concern for community, employees and their families, and the company's quick response. Unfavorable tone was defined as the broadcast bringing up past crises or explosions, or negative financial impact.

Stories with a neutral tone contained straight information. Coders defined the tone as mixed when both favorable and unfavorable information was given in the story.

Newspaper Coverage: For the newspaper content analysis, the researchers examined the date of the story, the newspaper and the length of the story (number of words). The clipping service did not include the page number where the story appeared. In some cases coders could determine when a story was placed on the front page. This was the case when stories were continued on an inside page and denoted by "continued from page 1A." Coders also analyzed the source of the story (on-site local reporter or wire report), the number of sources used in each article and the primary and secondary sources (determined by the number of words devoted to information obtained from each source).

Using the news releases, coders determined whether information in a newspaper story originated directly from one of Exxon's news releases. Researchers also examined whether pictures or graphics were used with the story, and complete headlines were logged. Finally, the tone (see broadcast operational definition) was also noted for newspaper articles.

News Releases: Researchers examined news releases and noted the time of day each was disseminated, any updated information from a previous release, the spokesperson each release was attributed to and direct quotations used in the release. Coders used the press releases to determine what was directly used for news reports. Although they were not coded for comparison with newspaper and television coverage, the two information updates that went to employees, and the one distributed to neighbors of the plant were also logged and examined.

Findings

Both television and newspapers covered the incident for five days, with newspaper coverage continuing locally for two additional days.

Television coverage was heaviest on the first day because of the immediacy of television, and newspaper coverage was heaviest on the second day because of the time of the fire and newspaper deadlines.

Television: Of the 86 television news stories, 39 were broadcast on August 2, 19 were broadcast on August 3, eight were broadcast on August 4, 12 were broadcast on August 5 and eight were broadcast on August 6. The majority of the broadcasts were on local and regional television news outlets.

Table 1 about here

Only 10 of the stories were considered by the coders to be favorable to Exxon. Nine of those 10 stories were broadcast on Baton Rouge stations, and the tenth was reported within the state of Louisiana. More than a quarter of the stories were considered unfavorable. Almost half of the stories were mixed, and 10 were neutral.

Table 2 about here

In nearly half of the stories, 40 (46.5%), television reporters used only one source. Two sources were used in nine stories (10.5%), and three or four sources were used in two stories (2.3%). Thirty-five (40.7%) of the stories depended solely on the reporter, with no quoted or identifiable sources.

In the 35 cases where sources did appear on camera, Exxon was well represented. The plant public relations person was a primary source (determined by length of interview) in 10 cases (37%), and a secondary source in two stories. The plant manager was the primary source seven times (26%) and a secondary source three times. Plant employees other than the manager or public relations spokesperson accounted for the primary source in five (18%) of the television stories, while concerned citizens and neighbors were shown four times (15%) and the coroner once (4%).

Newspapers: Only four of the 36 newspaper stories were published August 2, the day of the fire and explosion. All the stories were in papers within the state of Louisiana, but the local paper had already gone to press by 4:21 a.m. when the fire started. Seventeen articles were published on August 3, eight were published on August 4, two each on August 5, August 6 and August 7, and one final local article was published on August 8.

Table 3 about here

Coders found six of the 36 articles to be favorable toward Exxon, three to be unfavorable, 11 to be neutral, and 16 to be mixed. Half of the favorable stories were found in the local Baton Rouge Advocate.

Table 4 about here

More than half of the stories, 61% or 22 stories, were from the AP, while staff reporters accounted for the other 14 (39%).

The word count of the articles ranged from 33 to 1090. The longest article was in the local Baton Rouge Advocate on August 3, the first day they reported the incident. The shortest article was in USA Today on August 4. Eighty-six percent of the articles were between 33 - 399 words. Aside from USA Today the only out-of-state papers to pick up the story were The Wall Street Journal and the Clarion-Ledger in Jackson, MS.

Nearly a quarter (22%) of the newspaper stories quoted only one source, while 39% quoted two sources, 22% quoted three sources, and 14% quoted four or more sources. Only USA Today quoted no sources.

As with the television coverage Exxon spokespersons were well represented as sources. The plant public relations person was a primary source (determined by number of words devoted to information obtained from the source) 15 times (41.6%) and a secondary source 12 times (46%), while the plant manager was a primary source 14 times (38.9%) and a secondary source four times (15%). In addition the Baton Rouge Police were used as a primary source four times, and the Louisiana Office of Emergency Preparedness and the coroner were each quoted as a primary source once. In each of these four cases, the Exxon public relations spokesperson was used as a secondary source. Besides the Exxon public relations person and plant manager, ten additional *secondary* sources were used in the articles (concerned citizen (1), coroner (3), police (1), fire department (1), Louisiana Department of Environmental Quality (2), an Exxon executive in Houston (1), and a refinery industry executive (1)).

News Releases: The eight Exxon news releases were used in various ways by the print and broadcast media, with the coders finding heavier use in the newspaper stories. Because of the ability of television news to actually *show* a source being interviewed, it was difficult to determine if quotes read by anchors were from the Exxon releases, or from earlier interviews. The one clearly identified quote that came directly from Exxon's sixth release on August 2 was by Bill Rainey, Manager of the Refinery. The following quote was read on-air by three local anchors: "Our deepest sympathies go to all the families. We share in their loss and grieve with them."

News release information was included in 14 (38.9%) of the 36 newspaper articles, and in seven (19.4%) cases a primary source was directly quoted from a news release. Several of the articles used information from more than one release. Information from the first 7:00 a.m. release was used in two stories. Coders found information from the third release (10:00 a.m.) in five stories, from the fourth release (12:15

p.m.) in two stories, and from the fifth release (6:00 p.m.) in one story. The highest usage was from release six which confirmed the first two fatalities and was released at 9:30 p.m. on August 2. This release contained the quote from Bill Rainey, the plant manager, used by the television newscasts and discussed above. The quote was used in five newspaper stories. Finally, information from release eight, dated August 6, was used in one story.

Discussion

While Exxon followed the advice of Robert Dilenschneider, former president of Hill and Knowlton, to "go public in the first three to six hours after the news breaks or 'you're dead'" (Newsom, Scott & Turk, 1993, p. 546) its failure to "get the word out" during the first two and a half hours after the explosion affected the initial media coverage of the incident. The television reports during the early morning newscasts made it clear that information had been received from the East Baton Rouge Fire Department, and not directly from Exxon. The anchors, as well as reporters on the scene, were speculating about the fire and its causes, and little information was known besides the fact that there was a fire, and smoke was billowing from the coker unit. It wasn't until the noon newscasts that Exxon's proactive stance, taken with their 7:00 a.m. initial news release, became clear.

By following Exxon's communications, and the subsequent media reports, for the remainder of the crisis period, however, it became obvious to the researchers that Exxon's initial slow response did not have lasting effects on the way the story was portrayed in the media.

Research Question One: To answer the question "how did Exxon frame and shape media coverage during its August 1993 explosion and fire?" the researchers compared the information Exxon presented to the media through its news releases and on-air interviews, with published or broadcast information. The overall issues that Exxon tried to communicate were ones of corporate responsibility and managerial compassion.

Safety, both of workers and the community, was a primary concern. Exxon emphasized its cooperation with all federal and state agencies (see Press Release #4), that neighborhood monitoring for hazards was beginning immediately (see Press Releases #1 - #5), and that employees were being held off from searching for the missing individuals until the structure was safe for them to enter (see Press Releases #4 and #5) or until daylight (see Release #6).

Concern for community was a third issue Exxon framed for the media. Starting with the initial 7:00 a.m. press release the company emphasized its "monitoring at Exxon's fence line for hazardous materials" (See Releases #1 - #5). They also notified the media that clean-up crews would be wearing protective gear only because "OSHA regulations require" it (see Release #5). The fourth release contained the quote "Exxon's primary concern will continue to be for the safety of those who work in our plant and for those who live in the surrounding community," which encompassed both safety and concern for community.

Finally, responsibility toward, and compassion for, employees' families was another issue communicated by Exxon. Starting with press release #3 at 10:00 a.m. the information was relayed to the media that families of the missing had been notified. Expressions of sympathy to the families were also included in releases (See #4, #6, #7 and #8).

The local television coverage picked up on all these issues to some degree. Early morning television newscasts continually emphasized the speed in extinguishing the fire, and that Exxon officials were merely waiting until the structure was safe to begin the search for the missing workers. By mid-day the broadcasts were telling viewers that Exxon officials had already notified the families of the missing, and if they had a loved one who worked at Exxon not to worry if they hadn't received a call. Several noon on-air interviews with Bill Rainey, plant manager, also put forth Exxon's concern for the safety of employees and the community, and emphasized that families of the missing had been notified.

Evening newscasts reported the harmless nature of any debris found in nearby neighborhoods, but also gave the Exxon phone number to call with any concerns about debris. By the late night newscasts of the first day, two bodies of the missing had been found and Rainey's quote, "our deepest sympathies go to all the families. We share in their loss and grieve with them," was read by three anchors either that evening or the next day.

By the second day focus had shifted to the clean-up efforts in the area surrounding the plant, the attempt to find the third worker, and the identities of all three employees. Again, reassurances about the nature of the debris caused by the fire were given, as well as expressions of sympathy by Exxon officials to the families of the workers killed.

Newspaper coverage was similar to that of television, although it was more in-depth and not as intense owing to the once a day nature of newspapers. Five newspaper articles directly quoted Rainey's expression of sympathy to the families of the dead, and the information concerning the non-toxic nature of the debris in the neighborhoods bordering the Exxon refinery was also relayed. By the time of the first newspaper story the fire had been extinguished for some time, so the need to delay the search for the missing (safety) was not an issue covered by the newspapers. Overall, 19 of the 36 newspaper stories carried information contained in Exxon's news releases.

In both television and newspaper coverage Exxon spokespersons were used as primary sources of information a majority of the times that individuals were quoted, thus giving Exxon further opportunity to frame its corporate responsibility for the news media. Further, when there was another primary source of information for the story (i.e. fire officials, coroner), Exxon officials were frequently sought out as a second source of information.

Nonetheless, as the week continued, one issue that Exxon officials made no mention of did become a major component of both print and broadcast stories -- the previous fire in this same coker unit four months before, and an even earlier 1989 blast. So, while Exxon officials did manage to play a role in framing and shaping the media's coverage of the incident, they did not totally succeed in setting the media's agenda for the incident. The number of stories, both print (19) and broadcast (66), coded as having an unfavorable or mixed tone due to reporting of past crises or explosions, or negative financial impact, emphasized Exxon's inability to control the content of the media coverage.

Research Question Two: Did Exxon communicate each of the three categories of information (instructions, adjustment, and image formation) necessary in a crisis? This question was answered partly through a review of the internal "News Bulletin" and the community "Exxon Information Update," as well as through the news releases and media coverage.

Exxon communicated instructions about how people should physically react to the crisis both through its news releases, with such warnings as "although the amount and type of asbestos is not expected to result in any health hazard, officials ask that you do not pick up any debris and that you report any findings to 359-8322," and through the neighborhood update (See Appendix 3). The news media, especially television, relayed the instructions by publishing the phone number to call with questions, and by assuring citizens that the fire was out, clean-up was underway and there was no need for concern.

Adjustment information, or information to help people psychologically cope with a crisis was relayed primarily to Exxon's internal employee public. The first "News Bulletin" on August 4 (See

Appendix 2) contained a reminder that EHAP, the Employee Health Advisory Program was there to provide counseling "for a wide variety of needs." In addition, the news release information, and subsequent broadcast reports that the families of the missing had been notified, served to reassure family members who might not yet have heard from a loved one who was a refinery employee.

Information that people use to form an image of the corporation (corporate responsibility, concern for community and safety and compassion for families) was communicated through the press releases and discussed under research question one. In addition, the information directed at the bordering community in the "Information Update" served a similar communication function.

Research Question Three: Exxon succeeded in communicating symmetrically with its relevant publics, and in addressing their concerns. The employees' need to be kept informed was met ahead of the media through the internal "News Bulletin". The newsletter expressed appreciation for their efforts, updated them on the fire and the deaths of their co-workers, and informed them that the company was there to help if there was a psychological need. Exxon also communicated information deemed necessary by the families of employees. By releasing information to the press that the families of the missing had already been notified, and then having Bill Rainey say the same thing during a live interview, Exxon used the media to assuage concerns of those who had not heard from a family member working in the plant.

The safety concerns of those living in the area bordering the refinery were repeatedly addressed. Through Exxon news releases that were used by print and broadcast media, the non-toxic nature of the debris from the fire, and Exxon's effort to conduct a speedy clean-up, were emphasized. In addition, community residents were given a phone number to call if they found any debris or had questions about the clean-up.

Finally, Exxon spokespersons made themselves constantly available to the media to answer questions, as well as furnishing periodic information updates throughout the initial crisis period, and its aftermath. Thus at least six of the symmetrical 'Seven Cardinal Rules of Risk Communication' discussed earlier were met by Exxon. They accepted and involved the public as a partner; listened to and addressed specific concerns; were honest, frank and open about what was happening (while protecting the privacy of their workers' families); coordinated and collaborated with other credible sources (federal, state and local officials); met the needs of the media; and spoke clearly and with compassion (Grunig & Grunig, 1994). The seventh rule of planning and evaluating was not addressed by this study.

Research Question Four: Although criticisms of Exxon's handling of the incident can be made, an important point to note is that this fire and explosion in the nation's second largest refinery, and the subsequent deaths of three refinery workers, was newsworthy for only five days, and was largely ignored by media outside of Louisiana. Exxon's handling of the incident thus has several lessons for those in similar crisis situations.

Although the lag time in getting out the first news release meant that early television reports were vague, and others besides Exxon had control of the initial information being disseminated, the blizzard of news releases that started at 7:00 a.m. and continued through the first day kept the media continually updated with Exxon's framing of the incident. Exxon's focus on employees, the local community and its media paid off in terms of the type of coverage the incident received. With 55 of the 86 monitored televisions stories originating in Baton Rouge, only 12 of those stories were coded as being unfavorable to Exxon. Nine of the ten stories coded as favorable were also broadcast on local stations. Even the stories which brought up prior accidents at the plant were most often seen by the coders as being "mixed". Of the seven local newspaper articles three were seen as favorable to Exxon, and only one was coded as being totally unfavorable. Two newspaper stories were neutral and one story was considered mixed.

While unable to control the media's coverage of past accidents Exxon was successful in framing issues it wanted presented to the public through the media -- safety, compassion for families, concern for community. At the least Exxon achieved balance in the media coverage through its communication efforts, and at the most it may have averted a secondary crisis caused by community fears about the "fallout" from the explosion.

Exxon's final press release on August 6, while announcing the identities of all three fatalities, also restated that while the cause of the explosion and fire was still unknown Exxon was cooperating with the Occupational Safety and Health Administration (OSHA) to determine the cause. What may perhaps serve as an interesting postscript to this case is that the cause of the explosion and fire was not officially confirmed until February 2, 1994. At that time Exxon prepared a statement in response to OSHA's findings. The statement reads in part: "the cause of the fire was the sudden failure of a six inch elbow on the discharge of a pump in the coker unit's furnace feed circuit. The elbow, installed by the original manufacturer 30 years ago was of incorrect metallurgy."

No news release was disseminated because the media had never followed up on their early interest about the cause of the incident.

Conclusions

In terms of public relations impact for the corporation, Exxon's handling of the August 1993 explosion and fire reported in this case was exemplary. The plant's public relations team was both proactive and responsive to its relevant publics (two-way symmetrical communication), their communication fulfilled the requirements for a crisis, and they also, to some degree, helped to set the media's agenda in regard to the accident.

Exxon spokespersons made themselves constantly available to the media to answer questions, as well as furnishing periodic information updates throughout the initial crisis period, and its aftermath. The overall issues they tried to communicate were ones of corporate responsibility and managerial compassion. They emphasized safety, both of workers and the community, cooperation with other agencies, and concern for the community. In addition, spokespersons continually impressed upon both the media audience, and Exxon's own workers, their responsibility toward employees, and compassion for employees' families.

In both television and newspaper coverage Exxon spokespersons were used as primary sources of information a majority of the times that individuals were quoted, thus giving Exxon the opportunity to frame its corporate responsibility for the news media (set the agenda). Further, when there was another primary source of information for the story (i.e. fire officials, coroner), Exxon officials were frequently sought out as a second source of information. In addition, both the press releases and the analysis of the print and broadcast coverage indicated Exxon's sympathy and concern for both victims' families and the affected neighborhoods.

Analysis of both internal and external communication, as well as of the media coverage showed that Exxon communicated each of the three types of information necessary in a crisis. The three types of information are: instructions about how its publics should physically react to the crisis; information to help people (especially its internal publics) psychologically cope with the crisis; and, through its spokespersons and media releases, information for its publics to use to form an image of the corporation (corporate responsibility, concern for community and safety and compassion for families).

The fact that Exxon met six of the symmetrical 'Seven Cardinal Rules of Risk Communication' illustrates their use of two-way communication, in relation to both their internal and external publics, in this incident. The company listened to and addressed their publics' specific concerns such as immediate clean-up of debris caused by the fire and information about possible hazards, the need by the community to be able to communicate with the company (a hot line was established), and the need for employees to be kept informed (Exxon kept workers updated, prior to release of information to the media, through use of internal electronic mail- See employee news bulletins). In addition they responded to employee grief and confusion over the incident by making counseling available. Public relations spokespersons attempted to be honest, frank and open about what was happening (while protecting the privacy of their workers' families), as well as being constantly available to the media. Finally, the company coordinated and collaborated with other credible sources (federal, state and local officials).

Overall, this case study has shown that Exxon's performance following the August 1993 explosion and fire in its Baton Rouge, Louisiana petroleum refinery fulfilled the rules of both crisis and two-way symmetrical communication, as well as framing issues subsequently addressed by the news media. While certainly not perfect, the actions of Exxon's public relations spokespersons in this case showed corporate concern not only for the organizational image, but for three of its most important publics: the company's employees, the community and local media.

Table 1
Date and Location of Television Newscast

	Totals	Baton Rouge	Louisiana	Out-of-State	Network
August 2	(39)	15	19	2	3
August 3	(19)	16	2	0	1
August 4	(8)	8	0	0	0
August 5	(12)	10	2	0	0
August 6	(8)	6	2	0	0
	N=86	55	25	2	4

The Baton Rouge stations were WAFB TV, WBZR TV and WVLA TV; the Louisiana stations were from New Orleans (WDSU, WWL, WVUE), Lafayette (KLFY, KATC), and Lake Charles (KATC, KPLC); the out-of-state stations were WBBM in Chicago and Fox 50 in Detroit; and the networks were CNN (Headline News and World Business), CNBC (Market Wrap), and ABC (Good Morning America).

Table 2
Tone of Television Newscasts
Number of Newscasts Reported by Area

		Baton Rouge	Louisiana	Out-of-State	Network
Favorable	(9)	9	1	0	0
Unfavorable	(22)	12	10	0	2
Neutral	(10)	9	1	0	0
Mixed	(43)	25	13	2	2
	N=86	55	25	2	4

Table 3
Number of Articles Published by Date and Location

		Baton Rouge	Louisiana	Mississippi	National
August 2	(4)	0	4	0	0
August 3	(19)	1	16	1	1
August 4	(9)	1	7	0	1
August 5	(2)	1	1	0	0
August 6	(2)	2	0	0	0
August 7	(2)	1	1	0	0
August 8	(1)	1	0	0	0
	N=36	7	26	1	2

The national papers that covered the incident were The Wall Street Journal and USA Today. The Mississippi paper was The Clarion-Ledger in Jackson, MS. The local Baton Rouge paper is The Morning Advocate. 18 papers within the state of Louisiana also covered the story.

Table 4
Tone of Newspaper Articles Published Number of Articles Reported by Area

		Baton Rouge	Louisiana	Mississippi	National
Favorable	(6)	3	3	0	0
Unfavorable	(3)	1	1	0	1
Neutral	(11)	2	7	1	1
Mixed	(16)	1	15	0	0
	N=36	7	26	1	2

References

Barton, L. (1990). Crisis management: Selecting communication strategy. Management Decision, 28(6), 5-8.

Burson, H. (1985). Damage control in a crisis. Management Review, 74, 44.

Dozier, D.M. & Ehling, W.P. (1994). Evaluation of public relations programs: What the literature tells us about their effects. In J. Grunig (Ed.) Excellence in public relations and communication management. 159-184. Hillsdale: Lawrence Erlbaum.

Dutton, J.E. (1986). The processing of crisis and non-crisis strategic issues. Journal of Management Studies, 35(5), 3501-3517.

Egelhoff, W.G. & Sen, F. (1992). An information-processing model of crisis management. Management Communicaton Quarterly, 5(4), 443-484.

Friedman, S.M. (1991). Risk management: The public versus the technical experts. In L. Wilkins & P. Patterson (Eds.) Risky business: Communicating issues of science, risk, and public policy. 31-41. Westport CT: Greenwood.

Grunig, J.E. (1984). Organizatons, environments, and models of public relations. Public Relations Research and Education, 1(1), 6-29.

Grunig, J.E. & Grunig, L.A. (1994). Models of public relations and communications. In J. Grunig (Ed.) Excellence in public relations and communication management. 285-325. Hillsdale: Lawrence Erlbaum.

Grunig, J.E. & Repper, F.C. (1994). Strategic management, publics and issues. In J. Grunig (Ed.) Excellence in public relations and communication management. 117-158. Hillsdale: Lawrence Erlbaum.

Krimsky, S. & Plough, A. (1988). Environmental hazards: Communicating risks as a social process. Dover: Auburn House Publishing.

Kuklan, H. (1986). Managing crisis: Challenges and complexities. SAM Advanced Management Journal, 51, 39-40.

McCombs, M. & Shaw, D. (1972). The agenda-setting function of the mass media. Public Opinion Quarterly, 36(2), 176-187.

Mitchell, T.H. (1986). Coping with corporate crisis. Canadian Business Review, 13, 17-20.

Newsom, D. & Carrell, B. (1986). Public relations writing: Form and style. Belmont, CA: Wadsworth.

Newsom, D., Scott, A. & Turk, J.V. (1993). This is PR: The realities of public relations. Belmont, CA: Wadsworth.

Quarantelli, E.L. (1988). Disaster crisis management: A summary of research findings. Journal of Management Studies, 25(4), 373-386.

Shrivastava, P. & Mitroff, I.I. (1987). Strategic management of corporate crisis. Columbia Journal of World Business, 22, 5-11.

Sturges, D.L. (1994). Communicating through crisis: A strategy for organizational survival. Management Communication Quarterly, 7(3), 297-316.

APPENDIX 1

approx 7:00 am

August 2, 1993
Press Release #1

CONTACT: DAVE GARDNER
504/359-[redacted] 8322

FOR IMMEDIATE RELEASE:

Exxon Baton Rouge Refinery, Baton Rouge, LA -

At 4:21 AM this morning, there was a fire on the East Coker Unit. Exxon emergency response teams, EMS, Louisiana State Police, and the East Baton Rouge Parish Fire Department's Hazmat Unit have responded and are currently onsite.

There are three people reported missing as of 6:15 AM, but no confirmations.

Monitoring at Exxon's fence line for hazardous materials have shown no dectable levels.

# \# \# \#

August 2, 1993
Press Release #2
8:00 AM

CONTACT:	DAVE GARDNER 504/359-8322

FOR IMMEDIATE RELEASE:

Exxon Baton Rouge Refinery, Baton Rouge, LA -

At 4:21 AM this morning, there was a fire on the East Coker Unit. Exxon emergency response teams, EMS, Louisiana State Police, and the East Baton Rouge Parish Fire Department's Hazmat Unit have responded and are currently onsite.

There are three people reported missing as of 6:15 AM, but no confirmations.

The fire is under control. Monitoring at Exxon's fence line for hazardous materials have shown no detectable levels.

# # # #

August 2, 1993
Press Release #3
10:00 AM

CONTACT: DAVE GARDNER
504/359-8322

FOR IMMEDIATE RELEASE:

Exxon Baton Rouge Refinery, Baton Rouge, LA -

At 4:21 AM this morning, there was a fire on the East Coker Unit. Exxon emergency response teams are onsite and Exxon is cooperating with other federal and state agencies who have responded and are onsite.

There are three people reported missing as of 6:15 AM, two Exxon employees and one contractor's employee. The families of all three have been notified.

The fire is under control. Monitoring at Exxon's fence line for hazardous materials have shown no detectable levels. There have been isolated reports of debris outside the gates, but there is no reason to believe that there is any hazardous material in the debris. As a precaution, we are currently testing the debris. For questions, call 359-8322.

# # # #

August 2, 1993
Press Release #4
12:15 PM

CONTACT: DAVE GARDNER
504/359-8911

FOR IMMEDIATE RELEASE:

Exxon Baton Rouge Refinery, Baton Rouge, LA -

At 4:21 AM this morning, there was a fire on the East Coker Unit. Exxon emergency response teams are onsite and Exxon is cooperating with other federal and state agencies who have responded and are onsite--EMS, Louisiana State Police, Department of Environmental Quality, Occupational Safety and Health Administration, EPA and the East Baton Rouge Parish Fire Department's HAZMAT Unit have responded and are currently onsite.

There are three people reported missing as of 6:15 AM, two Exxon employees and one contractor's employee. The families of all three have been notified. "We sympathize with the family members in their uncertainty and will work to bring them information as it becomes available," said Bill Rainey, Refinery manager.

The fire is contained and under control. Determination of the cause will begin as soon as firefighters have access to the structure which is still quite hot.

Monitoring at Exxon's fence line for hazardous gasses shows no detectable levels. There have been isolated reports of debris outside the gates. As a precaution, a survey team has been sent into the community to test the debris and first reports show there is no reason to expect any health hazard from this material. "Exxon's primary concern will continue to be for the safety of those who work in our plant and for those who live in the surrounding community," said Rainey. For questions, call 359-8322.

# # #

August 2, 1993
Press Statement # 5
6:00 PM

CONTACT: DAVE GARDNER
504/359-8322

FOR IMMEDIATE RELEASE:

Exxon Baton Rouge Refinery, Baton Rouge, LA -

The fire which began at 4:21 AM Monday morning on the East Coker Unit is contained and under control. Firefighters continue to handle small flare-ups.

When the structure is cooled down and deemed safe, we will be able to send search and rescue teams to gain any additional information on the missing people.

In response to earlier reports of isolated debris outside the Refinery, Exxon has collected samples to make an assessment of the debris. A small amount of asbestos has been identified in some of the debris found on the ground. Monitoring of air quality demonstrates no health hazard is expected to result. As a precautionary measure in disposing of ground debris, Exxon will send clean-up crews on Tuesday morning to respond to citizen reports of debris and to search in areas bounded by Scenic Highway, Plank Road, Chippewa and Evangeline Streets.

Louisiana State Police and the Department of Environmental Quality have been advised of this plan. Although hazardous exposure is unlikely, the Office of Safety and Health Administration (OSHA) regulations require that clean-up crews wear protective suits and equipment.

Although the amount and type of asbestos is not expected to result in any health hazard, officials ask that you do not pick up any debris and that you report any findings to 359-8322. As a precaution, you may want to wet any debris in your yard.

# # #

August 2, 1993
Press Statement #6
9:30 PM

CONTACT: DAVE GARDNER
504/359-8911

FOR IMMEDIATE RELEASE:

Exxon Baton Rouge Refinery, Baton Rouge, LA -

A fire which began at 4:21 AM Monday morning, August 2, on the East Coker Unit has been extinguished. It is confirmed that there are two fatalities although they have not yet been identified. Exxon representatives have been waiting with the families of the three missing individuals, and have shared this new information with them. "Our deepest sympathies go to all the families. We share in their loss and grieve with them," said Bill Rainey, Manager of the Exxon Refinery.

The Coroner has been notified. The names of the deceased will be released as soon as positive identification has been made. Further search has been delayed until daylight in the interest of safety.

# # #

August 4, 1993
Press Statement #7
10:00 PM

CONTACT: DAVE GARDNER
504/359-8322

FOR IMMEDIATE RELEASE:

Exxon Baton Rouge Refinery, Baton Rouge, LA -

Following a fire which began on Monday, August 2 at 4:21 AM on the East Coker Unit of the Exxon Baton Rouge Refinery, search and rescue teams entered the unit as soon as the structure was cooled and deemed safe.

In the incident, three people were reported missing--two Exxon employees and one employee of a contractor firm. Families of the missing were contacted and representatives of Exxon have been waiting with the families to provide immediate information. Later, two of the missing were confirmed to be unidentified fatalities.

Exxon announced today it has been notified by the Coroner's office that the two fatalities were 28-year old Janet Inzenga of Baton Rouge, an Exxon employee, and 37-year old Terrence "Terry" Coburn of Denham Springs, also an employee of Exxon. One other individual, an employee of Hall-Buck Marine, Inc., is still missing. Search and rescue teams are continuing in their efforts to locate the third person.

"All of us at Exxon are saddened by this tragedy," said Bill Rainey, Manager of the Batcn Rouge Refinery. "We are grieving along with Janet and Terry's families."

# # #

August 6, 1993

CONTACT: DAVE GARDNER
504/359-8322

FOR IMMEDIATE RELEASE:

Exxon Baton Rouge Refinery, Baton Rouge LA:

Exxon announced today that the Coroner has identified the three fatalities in the August 2 fire at the Baton Rouge Refinery. The three persons are: 37-year old Terrence "Terry" Coburn and 28-year old Janet Inzenga, both employees of Exxon; and 27-year-old Daniel Douglas, a Hall-Buck Marine, Inc. employee . "All of us at Exxon are saddened by this tragedy," said Bill Rainey, manager of the Baton Rouge Refinery. "We grieve for the loss of our friends and co-workers and for their families in their terrible loss."

The damage to this unit is extensive and it is not known how long the unit will be out service, but Exxon does not anticipate any problems supplying our customers as a result of this incident. Efforts to determine the cause are underway by the Occupational Safety and Health Administration (OSHA) and Exxon.

Questions about Exxon's product supply can be directed to Les Rogers in Houston, Texas at (713) 656-4376.

# # #

APPENDIX 2

NEWS Bulletin

Wednesday, August 4, 1993 EXXON BATON ROUGE COMPLEX

Internal publication

FIRE UPDATE. Exxon is still awaiting completion of official identification from the Coroner's office on the two fatalities. The third missing person has not been found. Search and rescue teams are continuing in their efforts to locate this person.

OBITUARY PLACED BY FAMILY. Last night, the family of Janet Inzenga felt it important to identify her by placing an obituary in the morning newspaper. We have learned that visitation is to be held tonight at Rabenhorst East on Florida Boulevard from 6 to 10 p.m., and tomorrow from 9 to 11 a.m, at St. Mary's Catholic Church, 340 West Main Street, in New Roads. Church services will follow at 11 a.m. Exxon deeply sympathizes with the families, but has elected to defer announcement of identification until official notice has been received from the Coroner's office.

MANAGEMENT EXPRESSES SINCERE THANKS. Throughout Monday's accident and the aftermath, employees have demonstrated their extraordinary abilities, as well as the top-notch professionalism and dedication that Exxon employees are so recognized for. We thank you for your exceptional service during this trying time. — A message from the Refinery Management Committee.

EHAP CAN HELP. The Employee Health Advisory Program (EHAP) is a service designed to help with prompt, professional counseling for a wide range of needs. It is available at no cost to employees and their eligible dependents for up to eight visits per calendar year. Call the nationwide 24-hour service at 1-800-624-6185, or the Baton Rouge number during regular business hours, 924-2949.

FLAGS FLOWN AT HALF-STAFF. As an expression of grief, flags in the Refinery and Chemical Plant are being flown at half-staff.

FURTHER INFORMATION WILL BE COMMUNICATED. Any further information and updates will be communicated using the Alert system on PROFS or Office Vision. When an "Alert" message appears across the main menu of the screen, Refinery and Chemical Plant employees should type "alert" and press enter to reach the message. All logged-on ERDL employees will receive a message informing them that the Alert/Emergency Bulletin Board has been updated and will be referred to PROFS for more information.

NEWS Bulletin

Friday, August 6, 1993 EXXON BATON ROUGE COMPLEX

IDENTIFICATIONS MADE. East Baton Rouge Coroner Hypolite Landry has released identifications on the three people who died in Monday's fire at the East Coker. The Exxon employees were Terrence M. Coburn and Janet J. Inzenga, both of Distillation and Specialties. The Hall-Buck Marine employee was Daniel J. Douglas. Exxon employees deeply grieve these losses and sympathize with their families and friends. Please look for memorial tributes on Monday.

FUNERAL SERVICES ANNOUNCED. Funeral arrangements for Terry Coburn will include visitation today from 4 to 10 p.m. at Seale Funeral Home, 1720 S. Range Ave., in Denham Springs. Church services will be held tomorrow at 11 a.m. at Immaculate Conception Church, 865 Hatchell Lane, in Denham Springs. Burial will follow at Denham Springs Memorial Cemetery.

UPDATES TO FOLLOW IN ALERT. Funeral arrangements for Daniel Douglas have not been announced. If they become available today, the information will be forwarded to employees using the Alert priority news system on PROFS or Office Vision. When an "Alert" message appears across the main menu of the screen, Refinery and Chemical Plant employees should type "alert" and press enter to reach the message. All logged-on ERDL employees will receive a message informing them that the Alert/Emergency Bulletin Board has been updated and will be referred to PROFS for more information.

STOCK. Open today 64-1/4. Previous close 64.

WEATHER. Partly cloudy. Chance of rain is at 30 percent with a high in the low 90s. Isolated evening thundershowers expected with a low in the low 70s.

APPENDIX 3

Exxon
Information Update

August 4, 1993

Dear Neighbors:

In order to keep you informed about the activities relating to the fire at our Refinery's East Coker Unit on Monday, August 2, 1993, we want to communicate directly with you.

The fire started at 4:21 a.m. and was under control by 7:30 that morning, with the remaining small fires extinguished by the end of the day. There was no explosion.

Air quality testing confirmed there was no health hazard.

After the fire was over, we received reports of debris from our Exxon survey teams and also from area residents. Some debris was found on the ground outside of our facility. Testing showed small amounts of asbestos in a few pieces of debris in the area immediately to the east of the Refinery. We are responding by sending clean-up crews to pick up this debris and to further search surrounding areas. Clean-up should be completed this week; clean-up of the area east of the Refinery to Plank Road is expected to be essentially complete by the end of today.

The workers who have been picking up debris, are required by law to wear special protective clothing. As a precaution, officials ask that you do not pick up the debris yourself. If you find any particles or materials that are not familiar to you, please call us.

As always, we are committed to the safety of those working in our plant and our neighbors. If you have any questions or concerns, please call us.

Exxon's Community Affairs Department
P. O. Box 551
Baton Rouge, LA 70821
359-8322

U.S. DEPARTMENT OF EDUCATION

OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT (OERI)

EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

Please return to:
ERIC/RCS
150 Smith Research Center
Bloomington, IN 47408-2698

REPRODUCTION RELEASE (Specific Document)

I. DOCUMENT IDENTIFICATION

Title: Communicating Crisis: One Corporation's Attempt to Frame the Issue

Author(s): Lynn M. Zoch and Sonya Forte Duhé

Corporate Source (if appropriate): ____________________

Publication Date: ____________

II. REPRODUCTION RELEASE

In order to disseminate as widely as possible timely and significant materials of interest to the educational community, documents announced in the monthly abstract journal of the ERIC system, Resources in Education (RIE), are usually made available to users in microfiche and paper copy (or microfiche only) and sold through the ERIC Document Reproduction Service (EDRS). Credit is given to the source of each document, and, if reproduction release is granted, one of the following notices is affixed to the document.

If permission is granted to reproduce the identified document, please CHECK ONE of the options and sign the release below.

CHECK HERE ➡ ☒ Microfiche (4" x 6" film) and paper copy (8½" x 11") reproduction

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

[PERSONAL NAME OR ORGANIZATION, AS APPROPRIATE]

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

OR ☐ Microfiche (4" x 6" film) reproduction only

"PERMISSION TO REPRODUCE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY

[PERSONAL NAME OR ORGANIZATION, AS APPROPRIATE]

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

Documents will be processed as indicated provided reproduction quality permits. If permission to reproduce is granted, but neither box is checked, documents will be processed in both microfiche and paper copy.

"I hereby grant to the Educational Resources Information Center (ERIC) nonexclusive permission to reproduce this document as indicated above. Reproduction from the ERIC microfiche by persons other than ERIC employees and its system contractors requires permission from the copyright holder. Exception is made for non-profit reproduction of microfiche by libraries and other service agencies to satisfy information needs of educators in response to discrete inquiries."

SIGN HERE ➡

Signature: Lynn M. Zoch

Printed Name: Lynn M. Zoch

Organization: University of South Carolina

Position: Assistant Professor

Where to send complimentary microfiche-->

Address: College of Journalism & Mass Communications
The Coliseum, Columbia SC

Zip Code: 29208

Tel. No.: 803-777-3314

Date: 8/29/94

III. DOCUMENT AVAILABILITY INFORMATION (Non-ERIC Source)

If permission to reproduce is not granted to ERIC, or, if you wish ERIC to cite the availability of the document from another source, please provide the following information regarding the availability of the document. (ERIC will not announce a document unless it is publicly available, and a dependable source can be specified. Contributors should also be aware that ERIC selection criteria are significantly more stringent for documents which cannot be made available through EDRS.)

Publisher/Distributor: ____________________

Address: ____________________

Price Per Copy: ____________ Quantity Price: ____________

IV. REFERRAL TO COPYRIGHT/REPRODUCTION RIGHTS HOLDER

If the right to grant reproduction release is held by someone other than the addressee, please provide the appropriate name and address:

____

____

EFF-53 (Rev. 4/86)

BEST COPY AVAILABLE

GUIDELINES FOR COMPLETING THE REQUEST FOR REPRODUCTION RELEASE FORM

Under the present copyright law a reproduction release must be obtained for each document before it can be processed for the ERIC system. There are three options:

(Level I) Microfiche (4" x 6" film) and paper copy (8-1/2" x 11") reproduction

This option, which allows ERIC to make the document available on microfiche or in paper copy is most frequently chosen by authors. (77% of ERIC documents are entered as Level I.) This arrangement does not preclude later publication of the document or sale of a printed version by author or institution. However, if you have a limited supply of printed copies or if the document should go out of print, a copy of your document from which other copies can be made will always be available in ERIC.

(Level II) Microfiche (4" x 6" film) reproduction only

This option allows ERIC to make the document available throughout the system on microfiche only. It is most useful if you have a large supply of printed copies but would like to refer requestors to ERIC once your supply is exhausted. This arrangement does not preclude later publication of the document, or sale of the printed document by the author or institution. The ERIC copy of the paper serves an archival function. (13% of ERIC documents are entered in this way.)

(Level III) Document may not be reproduced by ERIC. (Complete Section III of the form.) The document will be cited with bibliographic information, an abstract, and availability information.

NOTE: It is recommended that materials be submitted at Level I or Level II to insure their future availability.

The Adoration of the Gaijin

The Use of English and Non-Japanese Actors in Japanese Television Advertising

Presented at the
Association for Education in Journalism
and Mass Communication
Annual Convention
August 10-13, 1994
Advertising Division
Atlanta, Georgia

Jay K. Miller
Department of Communication Arts
Ursinus College
Collegeville, PA. 19426

The Adoration of the Gaijin

The Use of English and Non-Japanese Actors in Japanese Television Advertising

Introduction

To the casual observer of Japanese television advertising, the ad formats as well as the types of products pitched are strikingly similar to what is found in television advertising in the west. As in American television commercials, there is an unending stream of attractive women and men and an occasional celebrity testimonial. Formats range from the soft sell with a mix of dreamy backgrounds, evocative images, and soothing music, to the hard sell with loud messages often punctuated by sophomoric humor, quick cuts, and blaring music. Most all Japanese television advertisements are distinguished by sophisticated production values and by a high level of creativity used to pitch the product to the consumer.

These similarities to western television advertising have been partly explained by convergence theory which holds that as nations advance industrially they come to resemble modern nations, and consequently one another in both infrastructure and economic organization. This convergence eventually can spill over into other aspects of the society resulting in a homogenization of cultures. (Kline, 1988).

The Japanese have had a long history of adapting specific elements of other cultures for domestic use, yet the Japanese culture retains a unique character distinctly different from any western society. Frequently, that which is traditionally Japanese coexists with the foreign element. For example, the Japanese have adopted western style clothing for daily use. Suits and dresses are worn in the public world of corporate Japan, but individuals continue to wear traditional clothing such as kimonos or yukatas for the more private world of Japanese families and friends.

The general look of most Japanese television advertising is remarkably similar to American television advertising, but researchers have noted subtle differences. These differences have been attributed to the underlying cultural differences of the two societies. For example, since outward displays of affection are considered inappropriate by most Japanese, advertisements produced in Japan generally use intimate contact less frequently than it is used in American ads. In one study Belk and Bryce (1986) found people were shown touching in 38.7% of the Japanese ads as compared to 62.6% of the American ads in the sample.

Belk and Bryce (1986) also noted that voice-overs are used less frequently in Japanese television ads (26.2% of the time) than in US television ads (77.3%); and Smith (1983) noted that women are used more frequently than men as product spokespersons. Both of these findings can be attributed to the status conscious Japanese culture where printed text on the screen and a female voice would be considered less likely to offend viewers than a male voice. For example, the use of the imperative "Drink Coke!" would be appropriate only for a superior speaking to a subordinate within the structure of Japanese language and status hierarchy. (Bruce and Belk, 1986).

Despite the many visual similarities and the subtle textual differences, one of the more striking aspects of Japanese television ads is the frequent use of non-Japanese actors, and English words, phrases, and lyrics within the ads. The use of western actors in Japanese advertising is a particularly interesting phenomenon when one considers the common Japanese attitude toward foreigners in the homogenous Japanese society. Within business transactions or in social interactions, foreigners in Japan are often treated with a kindness and respect not found in many cultures. However, in other situations a foreigner may often be looked upon with reservation, suspicion, and mistrust.

The Japanese word for foreigner, *gaijin* , is actually composed of two separate words: *gai* meaning "outside" and *jin* meaning "person". And, it is this definition that holds emotional meaning for the Japanese. The term "outside person" implies a distance, a level of disdain, and in some instances the feeling that the person is unwelcome. Within the context of this meaning the frequent appearances of Caucasian actors in Japanese television ads creates an unusual double message.

The use of English in Japanese television advertising may be somewhat easier to explain than the use of foreign actors. The Japanese language contains an extraordinary number of loan words or borrowings from other languages. According to a study by the Japanese National Language Research Institute, English loan words are the most numerous, accounting for 80.8% of the total western language loans. (Takashi, 1990). Many of these loan words were incorporated into the Japanese language during the Meiji Period to fill lexical gaps. It is often difficult for the non-Japanese speaker to identify loan words when embedded in daily conversation or when spoken within the context of an advertisement. For example, loan words such as *koohii* (coffee) or *sukin-kea* (skin care) would be difficult for the non-Japanese speaker to identify as derived or borrowed from English. However, advertising texts have incorporated many English words and phrases that are not considered loan words and that are easily identified and immediately recognized as English, for example, "King of Beers" (for Budweiser), "Exciting to Drive" (for a Fuso Fighter truck), and "Speak Lark" (the current slogan for Lark cigarettes).

Foreign elements in Japanese television advertisements

Researchers who have analyzed Japanese advertisements have noted the frequent use of spoken and written English as well as the use of non-Japanese actors to pitch consumer products. Ramaprasad and Hasegawa (1990) found 77.8% of the 410 television advertisements included in their sample used some English. They also noted that 15.9% of the commercials used non-Japanese adult males, 15.6% used non-Japanese females, and 18% used western music. In a study on English borrowings in Japanese advertising, Takahashi (1990) identified 843 or 91.7% of the 919 sampled television and magazine ads as containing at least one loan word or foreign word. In another study Kline (1988) estimated that approximately 50% of all Japanese advertisements have at least one foreign element.

This wide range (50% to 91.7%) of findings regarding the use of English in Japanese advertising in these three studies can be attributed to differences in the samples (i.e., Kline looked only at television while Takahashi examined television and magazine advertising), as well as to possible differences in what was counted as "use of English." Takahashi employed the most encompassing definition and included all uses of English ranging from loan words incorporated into the Japanese language to any standard English words or phrases. Other researchers counted only those words and phrases that were clearly standard English while some researchers stated that they looked at the use of English but did not specifically define what counted as English in the sample.

Most researchers concluded that the use of spoken and written English in Japanese advertising copy is not for the purpose of communicating specific information to the consumer, but rather for adding elements of modernism, sophistication, luxury and value. (see: Ramaprasad and Hasegawa, 1990; Mueller, 1986; Takahashi, 1990). Similarly, observers identified the use of non-Japanese actors in Japanese television and magazine advertising as adding additional status and prestige to a product. (Haarmann, 1984). Apparently the use of English as well as the use of non-Japanese models contributes to an enhanced perception of a product or, at least, the belief that the consumer attitude towards the product is enhanced. Despite these assumptions, it has been pointed out that the average Japanese most likely doesn't understand more than the name of the product and the implied setting. (Haarmann, 1984).

Individual differences in understanding the advertising texts are based on generational factors and the educational levels of the viewers. Because of the emphasis on English language instruction in Japanese schools in the post-World War II period, younger, better educated Japanese would be expected to understand more of the foreign language messages in commercials than older or less educated Japanese. Informal discussions with Japanese students who are fluent in English support this assumption. Many have noted that they are frequently asked by their non-English speaking parents to interpret the advertising texts which use foreign words and phrases. Therefore, all but the most fluent speakers of English in Japan may be left with nothing more than a series of words and images and a general impression of the product.

Study Focus

This study examines the westernization of Japanese advertising through the use of non-Japanese actors, the use of spoken English by actors and in voice-overs, and the use of English displayed as part of the ad setting, the on-screen graphics, and on the actual product. Although many of these aspects of Japanese advertising have been examined previously by other researchers, the objective of this study is to ascertain if any patterns of use occur in the appearance of non-Japanese actors and in the use of spoken and written English in Japanese television advertising. Kline (1988) suggested that the use of English and non-Japanese actors would be associated most frequently with non-traditional Japanese products and with products directed to younger, more educated audiences.

Methods

More than 300 television commercials were recorded off-air during June, July and August 1992 from the four major Japanese commercial networks -- Asahi National Broadcasting, Fuji Telecasting, Nippon Television (NTV), and Tokyo Broadcasting System (TBS). Ads were sampled from different dayparts as well as from different days. However, the majority of the ads are from the 6:00 PM to 12:00 AM, Monday through

Friday schedule when the majority of the ads are national rather than local. After reviewing the ads, duplicates were eliminated leaving a total of 285 advertisements in the sample. Each ad was then coded for product category, length, actor gender and race, and use of English.

After an initial preliminary coding, the following fifteen product categories were established:

1. health/beauty/personal products
2. food (non-restaurant)
3. non-alcoholic beverages
4. retailers (clothing, restaurants, etc.)
5. alcoholic beverages
6. services
7. household cleaning & care
8. electronics
9. image / company ad
10. appliances
11. travel & resorts
12. automobiles/trucks
13. builders/building material
14. cigarettes
15. other

All 285 advertisements in the sample were first coded by the author and then recoded by a trained second coder for product category yielding an intercoder reliability of .9614 using Holsti's method. Actor gender and race were easily determined from the visuals in the commercial.

To be coded as a use of English the words could be written or spoken and had to be identifiable as standard English and not a loan word; for example in one ad for computers, the name "Alps Computer" was counted as a use of English, but the loan word *konpyuutaa* which was used in the spoken copy was not. The English word, phrase, or sentence could appear in any context: spoken by an on-screen actor, spoken in a voice over, or in the lyrics of a jingle or a background song. The English could also be written as part of a screen graphic, or be included in the set design (e.g., in an automobile advertisement two women exited a restaurant with the sign "Aoba Garden" on the front, this was counted as a use of English). The only use of English that was not included in the final count was if English word appeared only on the product packaging and it was clearly a brand name. For example, "Lion" and "Rooty" are two brands of shampoo advertised on Japanese television. The Lion ad had no English except the words "Lion Shampoo" shown on the product container at the end of the commercial. This was counted as a use of English because it used the word "shampoo." The Rooty ad also did not use English except for the word "Rooty" on the product package at the end of the commercial. This was not counted as use of English because no English words were used except the brand name "Rooty" embedded in a sea of Japanese lettering (hiragana) on the product.

Findings

Table 1 lists the number of product advertisements in each category. Health and personal products lead the list with 63 ads or 22.1% of the total products advertised. Food (20.0%) and non-alcoholic beverages (8.1%) followed as the second and third most advertised types of products. These rank orderings of Japanese product ads closely parallel the findings in previous studies, and are relatively similar to product advertising categories in US advertising except for autos and electronics both of which are more heavily advertised on American television. (see Belk and Bryce, 1986).

Interestingly, cigarettes were near the bottom of the list with only five advertisements accounting for 1.8% of the total ads. In the decade prior to the FCC ban of tobacco advertising on American television in 1971, cigarette spots accounted for about $200 million in annual broadcast revenues. (Whetmore, 1992). In Japan where smoking is still widespread and where there is little social stigma associated with smoking, cigarette ads accounted for only a fraction of the total advertisements. Automobile and truck advertising also accounted for a small percentage (2.8%) of the ads in the sample in contrast to television advertising in the US where automobiles and trucks are heavily advertised.

Spoken or written English was identified in 59.6% of the Japanese television advertisements. (see Tables 2 and 3). This ranged from a high of 100% in cigarette ads and in automobile/truck commercials to a low of 25% for appliances. Health and personal products, the most heavily advertised category of products, used English in half (50.8%) of the televised commercials. Some form of English appeared in the ads of every product category.

In the 285 advertisements in the sample, 304 actors appeared on screen. (see Table 4). Of these actors 133 or 43.8% were male and 171 or 56.3% were female. Fifty-two non-Japanese actors appeared in 27 (9.5%) of the commercials, and accounted for 17.1% of the total actors appearing in the sampled advertisements. Of the 52 non-Japanese actors, 30 were male (57.7%) and 22 were female (42.3%). Non-Asians appeared most frequently in ads for cigarettes (80%) followed by non-alcoholic beverages (17.9%), and retail ads (15%). (see Table 5).

Discussion

Based on the finding that 59.8% of Japanese television ads use some form of spoken or written English and that English is used in the ads of all categories of products, Japan can be described as a monolingual nation with a bilingual advertising text. The simplest explanation of this phenomenon is that the use of English as well as the use of non-Japanese actors is an advertising technique used to insert an element of sophistication into the ad copy. This assumption is supported by the belief that although the Japanese are generally cool to *gaijins* , they are fond of many American products and are willing to pay the price for them. However, closer examination of the use of English within product categories and within the individual ads revealed that English may be used for different reasons when advertising different products.

Of the 285 ads in the sample only 5 or 1.8% were for cigarettes. In a country where cigarette advertising is permissible on the airwaves and where smoking is more commonplace and socially acceptable than in the US, the number of cigarette ads is relatively low. Furthermore four of the five ads were for cigarettes made and marketed in the United States. These were Kent, Virginia Slims, and Lark (two ads). The remaining cigarette ad was for Mild Sevens, a brand not marketed in the US but sold in Japan under an English language name. The four US brand cigarette commercials were clearly American-produced ads (American actors, English language, and several identifiable US locations) but because cigarette advertising is banned on US airwaves, the ads were not produced for American television audiences. The most likely explanation is that in the wake of a retrenching market for cigarettes in the US, the US tobacco companies have stepped-up marketing their products world wide and are producing advertisements for foreign distribution. These ads give the product an

American flavor; dialog is held to a minimum, and the appropriate foreign language (here Japanese) is dubbed in. The decision for using English and for using non-Japanese actors was not in the hands of the Japanese copywriter nor in the creative department of a Japanese ad agency looking for an element of sophistication, but rather it was a marketing decision made in the US for an American product distributed and advertised beyond American borders.

The one other product category to use some form of written or spoken English in 100% of the sampled commercials was automobiles/trucks. However, there was no pattern of English usage in this category of ads. Of the eight auto ads only one was for a non-Japanese car (Volvo), and the others were for Japanese models, specifically Isuzu, Suzuki, Nissan, Toyota, and Mitsubishi (3 advertisements). The Volvo ad used Caucasian actors, had several English words on the screen, and appeared to have been shot in part at the Golden Gate Bridge in San Francisco. The ads for the Japanese motor vehicles presented both the automobile maker's name and the car model name in English, e.g., Toyota Starlet, Mitsubishi Galant, Isuzu Bighorn. This was expected because most Japanese carmakers use the anglicized version of the car name on the product even in Japan.

Each automobile and truck ad used English within the text of the commercial in a different way, e.g., Mitsubishi punctuated the visuals with English words such as "handsome" and "exciting" to describe their cars and trucks. Toyota used English as part of the background set design (e.g., a store name was written in English). Suzuki used background music with English language lyrics. Isuzu used an ad similar to a television ad used in the US for the same model. Nissan primarily used Japanese language in the ad but at the end announced in English "where to buy" a new Nissan.

Although English was used in all of the auto ads, the foreign words were used in different ways supporting the conclusion of previous research that English is inserted into the ad copy simply to add an element of sophistication and luxury to the product. The use of English in these ads also reminds audiences that these Japanese products are marketed worldwide and have an international reputation. Kline (1988) noted that Japanese-made cars are advertised in foreign contexts because for many Japanese the cars are considered foreign goods which symbolically exist in a world separate from the domains of Japanese life.

Food ads were almost evenly divided between those using English (30 or 52.6%) in the advertising copy and those not using English (27 or 47.4%). Looking at specific products a pattern emerges in the use of English language in food ads. Items such as bean cakes, noodles, canned tea, rice products, and other items that can be identified as traditionally Japanese do not routinely use English in the ad copy. Product ads using English are for items more readily associated with western culture such as mayonnaise, donuts, ice cream, cold breakfast cereals, and corn chips.

However, there were several advertisements for traditional products that used English in the ad copy thereby deviating from this generalization . These included ads for miso, noodles, sushi, and rice curry. The miso advertisement featured legendary American soul singer James Brown; the sushi was a product of 7-11 convenience stores which are franchised throughout Japan; and the rice curry, a brand known as Curry Marché, was marketed as a French product.

Analysis of the individual ads within the food category supports the assumptions that English is used most often for products associated with western cultures and is most likely used to lend an international flavor or to provide borrowed interest for the product. Traditional Japanese products generally do not use English or non-Japanese actors in the ad. However, when English is incorporated into the ad copy of a "traditional" product, it is often for a specific reason, e.g., celebrity testimonial or marketing strategy.

Non-Japanese actors appeared in only 27 (9.5%) of the total advertisements, and were found in all product categories except household cleaners, electronics, image ads, and appliances. Ten of the 27 ads with non-Japanese actors were for American products such as Nescafé coffee, Coca-Cola, Tropicana Juice, BVD underwear, Continental Airlines, and Kent, Virginia Slims and Lark cigarettes. (see Table 6). Another four of the ads with non-Japanese actors were for products that are frequently associated with westerners -- jeans, scotch whiskey, Volvo, and corn chips. Of the remaining 13 ads, three featured American celebrities pitching the product (Arnold Schwarzenegger for Phew Vitamin Drink, James Brown for miso, and Sonny Rollins for building material). Another three ads used Caucasians to market the products as international --New Roman clothing (Italian), Curry Marché (French), and Tlub Sport and Fitness Center (American). This left seven product advertisements (bank service, muscle gel, shampoo, contact lenses, canola oil, and two for vitamin supplements) that used non-

Japanese actors for no apparent reason. Interestingly only two products used both Japanese and Caucasian actors in same advertisement-- Phew Vitamin Drink (Arnold Schwarzenegger and a Japanese woman) and Chips Company Farm Corn Chips (an unusual mix of male and female Caucasian adults and teens, and a Japanese man all of whom are loading a van apparently on their way to a picnic).

The use of non-Japanese actors in Japanese television advertising is done for specific reasons, e.g., to advertise an American brand product or to advertise a product that is considered American or belonging to another western country. Only 2.5% of the ads in the sample used non-Japanese actors for no apparent reason.

Voice-overs were used in 257 (90.2%) of the 285 advertisements. (see Table 7). Two hundred forty-nine (96.9%) of the ads with voice-overs used Japanese and eight (3.1%) used English. The English language voice-overs were used primarily for American products such as Budweiser Beer and NFL After Shave products. Five (1.9%) of English language voice-overs used a male voice and three (1.2%) used a female voice. Of the Japanese language voice-overs the majority (159 or 61.9% of the total voice overs) were done by men. Female voice-overs accounted for 19.1% of the total, and almost as many Japanese language voice-overs included a female and male voice in the same advertisement (41 or 16.0% of the total). This finding for voice-overs in Japanese advertising runs counter to the expectation that women would be used more because they would be perceived as less threatening to the consumer in a status conscious culture, and also counter to previous findings that noted a greater percentage of women in voice-overs. The finding of 90.2% of the ads using voice-overs is considerably higher than Belk and Bryce's finding of voice-overs in only 26.2% of the Japanese ads. These findings may indicate a change in the structure and content of Japanese television advertising.

Conclusions

Preliminary findings in this study support many of the findings from previous studies. Spoken and written English is used in a majority of Japanese television advertisements (all previous studies found English used in more than 50% of the ads); non-Asians are often used to sell products to the Japanese consumer; and both English language usage and non-Asians are more likely to be found in ads for products associated with western cultures. Findings also support the assumption that English is often used to add elements of modernism, sophistication, luxury, and value to the product.

However, when product categories and individual advertisements are examined, specific reasons for the use of English and non-Japanese actors begin to emerge. Many products marketed in Japan and advertised on Japanese television are also marketed in the United States. Advertisements for American products tend to use English words and phrases and Caucasian actors to add an American flavor. In some cases the advertisements are produced for multi-country distribution as with cigarette ads which use Caucasian actors and English language on-screen graphics, and then dub in voice-overs in the appropriate foreign language. The visual is clearly American and reminds the consumer that this is an American product. Ads for other American products such as Tropicana orange juice, Nescafé coffee, MacDonalds, KFC, Coca-Cola, and Nintendo appear frequently on Japanese television and these ads routinely use English and Caucasian actors with Japanese language voice-overs.

For products such as Toyota, Nissan, Mitsubishi, Sony, Panasonic, Hitachi, Konica, and Fuji which are manufactured in Japan and marketed in Japan and other countries, there is a frequent use of spoken and written English in the ads and less frequently a non-Japanese actor appearing on the screen. The Anglicized version of the product name is associated with the item in Japan as well as in most other countries of the world. The use of the Anglicized name in Japan reminds the consumer that the product is distributed internationally. Also, the culturally unspecific ads are a product of the recent trend for large ad agencies to merge into international mega-agencies. One result of these mergers is the production of ads which can be distributed world wide to sell the same product in several countries simply by changing the language of the voice over.

Although English and non-Japanese actors are used frequently in Japanese advertising texts, it appears that the reasons vary for different products. The high percentage of ads using written and spoken English is inflated by the number of American products marketed in Japan, the number of Japanese products which can be described as international rather than purely domestic, and also by the number of ads that use only one or two English words which after repeated use become embedded and incorporated into the Japanese language. For example, ads for Fuji cameras and film which are frequently advertised on Japanese television always end with a voice singing the two words "Fuji color." The English word "color" may simply be regarded as part of a slogan or an aural logo.

Additional analysis of individual ads within each advertising category will contribute to a better understanding of the bilingual advertising text within Japan's monolingual, ethnically homogeneous society. Despite any patterns that may emerge, there will always be anomalies in advertisements. In one ad for a popular Japanese beer, a middle aged man and woman dressed in traditional Japanese yukatas and sleeping on a traditional tatami covered floor, are awaken by a parade outside their window where the marchers are singing "One", the theme song from the Broadway musical hit "A Chorus Line."

References

Anderson, Laurel and Wadkins, Marsha. (1991). Japan-A Culture of Consumption? Advances in Consumer Research. 18,129-134.

Belk, Russell and Bryce, Wendy. (1986). Materialism and Individual Determinism in US and Japanese Print and Television Advertising. Advances in Consumer Research, 3, 568-572.

Haarmann, Harald. (1984). Role of ethnocultural stereotypes and foreign languages in Japanese commercials. International Journal of the Sociology of Language. 50,101-121.

Hong, Jae W., Muderrisoglu, Aydin and Zinkhan, George M. (1987). Cultural Differences and Advertising Expression: A Comparative Content Analysis of Japanese and US Magazine Advertising. Journal of Advertising. 6(1), 55-68.

Kline, Stephen. (Fall, 1988). Theatre of Consumption: on Comparing American and Japanese Advertising. Canadian Journal of Political and Social Theory. 12(3), 101-120.

Kochevar, John. (1983). International Advertising: the American and Japanese Experiences. Keio Communication Review. 3, 39-53.

Meuller, Barbara. (1986). Reflections of Culture -an analysis of Japanese and American advertising appeals. Paper presented at the Association for Education in Journalism and Mass Communication convention.

Ramaprasad, Jyotika & Hasegawa, Kazumi. (Winter, 1990). An Analysis of Japanese Television Commercials. Journalism Quarterly. 67(4), 1025-1033.

Resnick, Alan & Stern, Bruce L. (January 1977). An Analysis of Information Content in Television Advertising. Journal of Marketing. 41(1), 50-53.

Smith, Robert J. (1983), Japanese Society: Tradition, Self, and the Social Order, Cambridge: Cambridge University Press.

Takashi, Kyoko. (1990). A sociolinguistic analysis of English borrowings in Japanese advertising texts. World Englishes. 9 (3), 327-341.

Whetmore, Edward Jay. (1992). American Electric. NY: McGraw Hill Inc.

Table 1

Japanese Television Ads by Category

	categories	number	% of total[1]
1.	health/beauty/personal products	63	22.1%
2.	food (non-restaurant)	57	20.0
3.	non-alcoholic beverages	23	8.1
4.	retailers (clothing, restaurants, etc.)	20	7.0
5.	alcoholic beverages	18	6.3
6.	services	21	7.4
7.	household cleaning & care	13	4.6
8.	electronics	15	5.3
9.	image/company ad	12	4.2
10.	other	9	3.2
11.	travel & resorts	9	3.2
12.	automobiles/trucks	8	2.8
13.	builders/building material	8	2.8
14.	cigarettes	5	2.8
15.	appliances	4	1.4
		285	

[1] percentages do not add to 100.0% due to rounding

Table 2

Use of Spoken and Written English in Japanese Television Advertisements by Category

	categories	total ads in category	ads w/spoken/ written Eng.	ads w/Eng. as % of ea. category
1.	health/beauty/personal products	63	32	50.8%
2.	food (non-restaurant)	57	30	52.6
3.	non-alcoholic beverages	23	18	78.3
4.	retailers (clothing, restaurants, etc.)	20	15	75.0
5.	alcoholic beverages	18	13	72.2
6.	services	21	10	47.6
7.	household cleaning & care	13	4	30.8
8.	electronics	15	14	93.3
9.	image/company ad	12	4	33.3
10.	other	9	3	33.3
11.	travel & resorts	9	7	77.7
12.	automobiles/trucks	8	8	100.0
13.	builders/building material	8	6	75.0
14.	cigarettes	5	5	100.0
15.	appliances	4	1	25.0

	Total Ads	All ads using Eng.	Eng. as % of all ads
Total - all ads	285	170	59.6%

Table 3

Advertisements Using Japanese Language and Japanese Actors Only

	categories	total ads	Japanese language & actors only	% of total in category
1.	health/beauty/personal products	63	31	42.9%
2.	food (non-restaurant)	57	27	47.4
3.	non-alcoholic beverages	23	5	21.7
4.	retailers (clothing, restaurants, etc.)	20	5	25.0
5.	alcoholic beverages	18	5	27.8
6.	services	21	11	52.4
7.	household cleaning & care	13	9	6.9
8.	electronics	15	1	6.7
9.	image/company ad	12	8	66.7
10.	other	9	6	66.7
11.	travel & resorts	9	2	22.2
12.	automobiles/trucks	8	0	0.0
13.	builders/building material	8	2	25.0
14.	cigarettes	5	0	0.0
15.	appliances	4	3	75.5

	Total Ads	All Ads Using Japanese Lang. & Actors Only	Ads with Japanese Lang. & Actors-only as % of all Ads
Total - all ads	285	115	40.4%

Table 4

Actors Appearing in Japanese TV Ads by Gender and Race

	Japanese	%	Non-Japanese	%	Total	%
Male	103	40.9%	30	57.7%	133	43.8%
Female	149	59.1	22	42.3	171	56.3
TOTALS	252		52		304	

Table 5

Japanese TV Ads with Non-Japanese Actors
and
Non-Japanese Actors Appearing in Ads by Gender

	categories	total ads in categ.	ads w/ non-Jp. actors	% total	non-Jp. males in ads	non-Jp. females in ads
1.	health/beauty/personal products	63	5	7.9	2	4
2.	food (non-restaurant)	57	5	8.8	5	8
3.	non-alcoholic beverages	23	4	17.4	11	3
4.	retailers (clothing, restaurants, etc.)	20	3	15.0	2	3
5.	alcoholic beverages	18	1	5.5	1	0
6.	services	21	2	9.5	2	0
7.	household cleaning & care	13	0	0	0	0
8.	electronics	15	0	0	0	0
9.	image/company ad	12	0	0	0	0
10.	other	9	0	0	0	0
11.	travel & resorts	9	1	1.1	0	1
12.	automobiles/trucks	8	1	1.3	1	0
13.	builders/building material	8	1	1.3	1	0
14.	cigarettes	5	4	80.0	5	3
15.	appliances	4	0	0	0	0
		285	27	.	32	22

Table 6

Product Advertisements with non-Japanese Actors

1.	health/beauty/personal products	Muscle Cool Loreal Shampoo	Vitamin Drink (2) Contact Lenses
2.	food (non-restaurant)	Miso Curry Marché Corn Chips	Canola Oil The Calcium
3.	non-alcoholic beverages	Nescafé (2) Tropicana	Coca-Cola
4.	retailers (clothing, restaurants, etc.)	BVD New Roman Clothing	Jeans Complex
5.	alcoholic beverages	Scotch Whiskey	
6.	services	TLUB-Sports Ctr.	JACCS-Banking
7.	household cleaning & care	---	
8.	electronics	---	
9.	image/company ad	---	
10.	other	---	
11.	travel & resorts	Continental Airlines	
12.	automobiles/trucks	Volvo	
13.	builders/building material	MADA Building Material	
14.	cigarettes	Kent Virginia Slims	Lark (2)
15.	appliances	---	

Table 7

Voice-Overs in Japanese TV Ads by Language and Gender

		no. of ads with VO	% of total VO[1]
Male	- Japanese	159	61.9%
Female	- Japanese	49	19.1
M & F	- Japanese	41	16.0
Male	- English	5	1.9%
Female	- English	3	1.2
M & F	- English	0	--
	Total ads with VOs	257	

[1] percentages do not add to 100.0% due to rounding

U.S. DEPARTMENT OF EDUCATION

OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT (OERI)

EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

Please return to:
ERIC/RCS
150 Smith Research Center
Bloomington, IN 47408-2698

REPRODUCTION RELEASE (Specific Document)

I. DOCUMENT IDENTIFICATION

Title: The Adoration of The Gaijin- The Use of English and Non-Japanese Actors in Japanese Television Advertising

Author(s): JAY K. Miller

Corporate Source (if appropriate):

Publication Date:

II. REPRODUCTION RELEASE

In order to disseminate as widely as possible timely and significant materials of interest to the educational community, documents announced in the monthly abstract journal of the ERIC system, Resources in Education (RIE), are usually made available to users in microfiche and paper copy (or microfiche only) and sold through the ERIC Document Reproduction Service (EDRS). Credit is given to the source of each document, and, if reproduction release is granted, one of the following notices is affixed to the document.

If permission is granted to reproduce the identified document, please CHECK ONE of the options and sign the release below.

CHECK HERE ➧ ☑ Microfiche (4" x 6" film) and paper copy (8½" x 11") reproduction

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY
(PERSONAL NAME OR ORGANIZATION,
AS APPROPRIATE)
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

OR

☐ Microfiche (4" x 6" film) reproduction only

"PERMISSION TO REPRODUCE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY
(PERSONAL NAME OR ORGANIZATION,
AS APPROPRIATE)
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

Documents will be processed as indicated provided reproduction quality permits. If permission to reproduce is granted, but neither box is checked, documents will be processed in both microfiche and paper copy.

"I hereby grant to the Educational Resources Information Center (ERIC) nonexclusive permission to reproduce this document as indicated above. Reproduction from the ERIC microfiche by persons other than ERIC employees and its system contractors requires permission from the copyright holder. Exception is made for non-profit reproduction of microfiche by libraries and other service agencies to satisfy information needs of educators in response to discrete inquiries."

SIGN HERE ➧

Signature: Jay K Miller
Printed Name: JAY K. MILLER
Organization: Ursinus College
Dept of Communication Arts
Position: Professor

Where to send complimentary microfiche-->
Address: Ritter Center
Collegeville PA
Zip Code: 19426
Tel. No.: 610-489-4111
Date: 8/5/94

III. DOCUMENT AVAILABILITY INFORMATION (Non-ERIC Source)

If permission to reproduce is not granted to ERIC, *or*, if you wish ERIC to cite the availability of the document from another source, please provide the following information regarding the availability of the document. (ERIC will not announce a document unless it is publicly available, and a dependable source can be specified. Contributors should also be aware that ERIC selection criteria are significantly more stringent for documents which cannot be made available through EDRS.)

Publisher/Distributor:
Address:
Price Per Copy:
Quantity Price:

IV. REFERRAL TO COPYRIGHT/REPRODUCTION RIGHTS HOLDER

If the right to grant reproduction release is held by someone other than the addressee, please provide the appropriate name and address:

EFF-53 (Rev. 4/86)

BEST COPY AVAILABLE

GUIDELINES FOR COMPLETING THE REQUEST FOR REPRODUCTION RELEASE FORM

Under the present copyright law a reproduction release must be obtained for each document before it can be processed for the ERIC system. There are three options:

(Level I) Microfiche (4" x 6" film) and paper copy (8-1/2" x 11") reproduction

This option, which allows ERIC to make the document available on microfiche or in paper copy is most frequently chosen by authors. (77% of ERIC documents are entered as Level I.) This arrangement does not preclude later publication of the document or sale of a printed version by author or institution. However, if you have a limited supply of printed copies or if the document should go out of print, a copy of your document from which other copies can be made will always be available in ERIC.

(Level II) Microfiche (4" x 6" film) reproduction only

This option allows ERIC to make the document available throughout the system on microfiche only. It is most useful if you have a large supply of printed copies but would like to refer requestors to ERIC once your supply is exhausted. This arrangement does not preclude later publication of the document, or sale of the printed document by the author or institution. The ERIC copy of the paper serves an archival function. (13% of ERIC documents are entered in this way.)

(Level III) Document may not be reproduced by ERIC. (Complete Section III of the form.) The document will be cited with bibliographic information, an abstract, and availability information.

NOTE: It is recommended that materials be submitted at Level I or Level II to insure their future availability.

Media Scheduling Models and Advertising Effects:
Conceptualization and Theoretical Implications

by

Louisa Ha

Department of Advertising
Michigan State University
Room 309 Communication Arts Bldg
East Lansing, MI 48824-1212
Tel: (517) 332-8119

Session: Research

A paper submitted to the Advertising Division, 1994 AEJMC Convention
Atlanta, August 10-14.

March 31, 1994

Media Scheduling Models and Advertising Effects: Conceptualization and Theoretical Implications

ABSTRACT

This paper examines media scheduling models' conceptualization of the role of media selection in creating advertising effects and discusses their theoretical implications. The theory structure of seven published media models were analyzed. Although the models provide a holistic view of how media selection affects advertising responses, their theoretical contribution has been limited by their reach and frequency paradigm. Theory development is suggested as a new direction for media model research.

Media Scheduling Models and Advertising Effects: Conceptualization and Theoretical Implications

INTRODUCTION

There are two different views on the role of media in the advertising process. One view is that media are simply message carriers which only deliver reach and frequency to audiences. Another view is that media can be advertising messages themselves because their distinctive mode of presentation can affect the way audiences process advertising messages (McLuhan 1964; Krugman 1968; Stewart 1992). Moreover, the editorial content of the advertising media vehicle also creates a contextual effect which can affect audiences' perception of the advertising which is being embedded (Aaker 1975; Cannon 1982; Thorson 1990; Norris and Colman 1993).

One empirical approach to explain the media's role in the advertising process is using advertising media scheduling models. These models have been developed as a major research area in advertising. Researchers predict advertising response by the selection of media schedules. Since the introduction of mathematical advertising media scheduling models in early 1960s (Calantone and de Brentani-Todorovic 1981), studies of media models have narrowly focussed attention on improving the accuracy and efficiency in parameter estimation. The basic parameters in these models are reach and frequency. They are taken for granted as the causes of advertising media effects.

Despite their efforts, media model researchers have now reached a deadlock that requires a new perspective for future direction. Theoretically, recent advances in the theory on advertising effects, such as effects on brand equity and theory of competitive resistance (Stewart 1992), challenge the conceptualization of advertising effects as mere vehicle exposure or sales response in media scheduling models. Practically, advertisers and agencies employ proprietary estimation models within their daily media planning function (Turk and Katz 1992; Guggenheim 1984; Leckenby and Boyd 1984; Kreshel et. al 1985). They neither believe in the practicality nor in the accuracy of these academic researchers' efforts (Killion 1990).

Indeed, there is a strong need for a theoretical model which can explain how advertising media selection affects advertising response. Currently, media scheduling models are mathematical models that estimate the probability of media exposure in terms of reach and frequency. These models provide little explanation of how media contribute to creating advertising effects such as brand awareness. Moreover, the significance of the structural difference in each advertising medium has not been addressed clearly. Nevertheless, the preliminary propositions in these mathematical models can serve as the groundwork for the development of a theoretical model.

To seek a new direction, a good starting point is to review the underlying conceptualization of the media models which are prevalent in the field. Following the theory structure of Fawcett and Downs (1986), we will identify the sets of abstract and general concepts and propositions in current media models. These concepts and propositions form a distinctive frame of reference to explain the process of advertising effects that can be achieved through advertising media selection.

Specifically, this paper will 1) identify and examine the underlying conceptualization of media scheduling models and their relationship to advertising effects in published advertising media models; 2) critique the conceptualizations of advertising effects in media scheduling models; 3) explore the potential contribution of media scheduling models in explaining advertising effects by synthesizing the recent theoretical development of advertising effects, and present accomplishments of media scheduling models.

SIGNIFICANCE OF THIS STUDY

This study addresses the fundamental question of why and how the media contribute to the total effects of advertising. Researchers have overlooked the potential theoretical contributions of media models in explaining the effect of media selection on audiences in advertising. By exploring the potential contribution of media scheduling models to the theory of advertising effects, this study can offer a new perspective on the direction of future media model research. The reinstatement of the importance of theory in explaining advertising effects is an attempt to break away from the methodological orientation of current media model research.

Practitioners in the industry have been reluctant to accept the media models proposed by academics mainly because they employ mathematical language and oversimplify the qualitative aspect of media attributes such as the editorial environment, audience flow, attentiveness to advertising, etc. By clarifying the attributes of advertising media in media models in the advertising process, one can provide practitioners with sound explanation of how the media contribute to create the intended advertising effects, and answer questions or challenges about media effects by advertisers.

TYPES OF MEDIA SCHEDULING MODELS

There are three types of models in current media scheduling model research: 1) Evaluation, 2) Allocation, and 3) Interaction. Both evaluation models and allocation models treat media vehicle selection as the only variable in estimating media effects (Rust and Stout

1989). Evaluation models are exposure distribution models that estimate the reach and frequency of media vehicles based on probability theories. They provide users the basis upon which to evaluate whether the reach and frequency objectives of a media schedule have been achieved. Allocation models are comprehensive media planning models. They are used to optimize advertising budget allocation by adding constraints into the models, such as budget limitation and advertising objectives. Interaction models are models that consider the interactive effects between copy and media selection in predicting advertising effects. They can be either allocative or evaluative in purpose. It is important to note that each type of model builds upon the assumption of the preceding ones. Allocation models assume the validity of the reach and frequency estimation of evaluation models and add additional factors in their input model. Interaction models are variations of allocation models.

EVOLUTION OF MEDIA SCHEDULING MODEL RESEARCH

Many critics of media scheduling models have concentrated their attacks on the evaluation models (Cannon 1993; Stewart 1989; Banks 1989). This is understandable because exposure models represent the bulk of the published models. Evaluation models supply a statistical probability of vehicle exposure of the general audience, but do not offer any standard by which to choose between schedules. However, evaluation models are just one type media models. The more complex models such as allocation models and the interaction models, received relatively less attention from critics. Each allocation model is an integration of the standards commonly used by the industry or research findings on response and represent the three different types of models serving different needs of media planners.

Conceptualization of how media selection affects media responses has been an early research question of media researchers, even though at that time not many quantitative techniques were available (Calantone and De Brentani-Todorovic 1981). The choice of media has already been conceived of as an input to an advertising process model in which audience response functions as an output. The introduction of probabilistic theories to media model research is largely the contribution of European researchers such as Agostini, Hofmans, and Metheringham in the 1960s. (Leckenby and Ju 1990). These European pioneering media research models are evaluative in nature. They attempt to provide an estimation of advertising media vehicle exposure with actual audience duplication and other audience data. Media model research from then on shifted from qualitatively guessing the audiences' media vehicle exposure to making quantitative predictions. These models can estimate the exact number of audience exposed to a media vehicle (the reach) and how many times different individuals fare in exposure to the vehicle chosen in a media schedule (the frequency distribution). Exposure distribution or evaluative models, become the basis of all media scheduling model research.

Syndicated audience data are the life-blood of such media scheduling model research. Due to data availability, the magazine is the medium most frequently employed to test the accuracy of the models. Most of the media models in the 1960s and the 70s can only be counted as magazine models because they could only predict the audience of a schedule which consists of magazines, and not other media. Later, exposure distribution models also estimated TV exposure, but this was still independent of other media. After their monopoly of almost two decades, single medium models gradually develop to become mixed media models. This is due to the theoretical breakthrough that an audience's exposure to a medium will be affected by his exposure to another medium (Little and Lodish 1973). A joint frequency model, including the interaction between television and magazines, was proposed by Rust and Leone (1984).

As a further step toward approximating reality and aiding media planners to identify the best media schedule, actual constraints in real-life planning such as budget constraints, and media cost and availability, are gradually introduced in media scheduling model research. In the late 1960s, there was a proliferation of allocation models or comprehensive media planning models that serve this purpose. Typically, these allocation models have a heuristic routine of combining different factors or constraints, and choosing the best combination among the available media options. The best combination means the choices in the schedule will deliver the largest number of target audience members within the set budget. If the budget is not set, a desired number of audience and frequency distribution will be set. The schedule with the lowest cost will be shown as the output. The planner can use the models to optimize the media expenditure with the greatest impact, measured by reach and frequency. Currently, most media models employed by the industry are allocation models because they directly apply a cost-efficiency standard that is very useful for media planners.

Apart from a cost-efficiency comparison between media schedules, the allocation models also incorporated results of other advertising research, such as the theory of forgetting and effective exposure (Krugman 1965). By applying such models in their media planning functions, planners are also adopting the view that media only deliver advertising copy messages to their audiences through the advertising communication process. The assignment of different weights to different media vehicles already implies that some vehicles provide a better audience for the brand. This may be caused by the quality of their readership and their editorial environments. Still, in all these allocation models, media selection is the only variable that is considered as creating the advertising response.

Aaker's (1975) ADMOD is an attempt to break away this tradition of isolating the effect of media from other factors of advertising response. By including the interaction between the copy and media vehicle selection in ADMOD, Aaker advocated the copy approach and the media vehicle to match each other to achieve the best results.

Unfortunately, there is no follow-up to the pertaining theoretical problems after the publications of such distinctive allocative and interactive media scheduling models. Since the mid-1970s, researchers on media scheduling models have shifted their focus from improving on the conceptualization of the advertising process to competing for computation efficiency. The latest debate, for example, is whether exposure distribution is necessary in evaluating a media schedule (Boivin and Coulombe 1991), or whether the Canonical Expansion Model is more accurate than the Dirichlet Multinomial Distribution Model in predicting the much criticized magazine readership of Simmons (Kim and Leckenby 1993).

Newer scheduling models have not kept up with the fast-changing media scene and the theoretical development of media and advertising research. An example is the zapping effect on commercials' viewership in television . Consumers zap (flip through) television channels with their remote controls (Kaatz 1985; Krugman 1985; Lamond 1986). This zapping factor has not been included in models developed after mid-1980's such as Rice (1988) and Danaher (1991).

If newer models could not explain the relationship between media exposure and advertising response better than the past models, how can users be convinced that the prediction resulted from these models were correct? More important, how can media planners respond to the challenges and suspicion of media models from advertisers? They have already showed their distrust of media advertising by increasing their budget tremendously on trade promotion and sponsorship (Hume, 1992).

Conceptualization of Media Models and Advertising Effects

This paper is an attempt at assessing the theoretical aspects of media scheduling models. Namely, the conceptualization and theoretical implications on the research of advertising effects. Although advertising effects have been investigated since the dawn of advertising research, there is still a lack of a complete picture especially among those variables that can be controlled by advertisers, such as media vehicle selection.

Conceptualization is an orientation toward a phenomenon (Reynolds 1971). To evaluate any scientific theory, the conceptualization underlying that theory must be examined (Donohew and Palmgreen 1986). This process of explication includes clarifying the definition of the concepts or constructs that constituted a theory, how to measure these concepts empirically (operationalization), and specifying the relationship among the concepts in a theory (Chaffee 1991; Dubin 1978). If a theory describes a process of how a set of factors causes an outcome with a temporal order, then it is a causal theory. Otherwise, it will simply be an axiomatic theory that requires only a correlation of a set of definitions, axioms, and propositions (Reynolds 1971). Can media scheduling models qualify as causal theories? If they are theories, what have they contributed to our knowledge of the advertising process? More specifically, what role can media selection play in affecting the response of consumers' toward an advertising message? If they do not qualify as theories, what is missing in these models?

In this paper, the conceptualization of seven published media scheduling models frequently discussed and employed is examined. The seven models will be analyzed as per the structure of theory construction proposed by Fawcett and Downs (1986). This explication process involves identifying the theoretical and the operational definitions of concepts and constructs in media models, and the propositions on the relationship between media selection and advertising effects.

Evaluation models

a) The Beta-binomial Distribution Model (BBD-TV) of Leckenby and Rice (1985)

b) The Dirichlet Multinomial Distribution Model (MMDMD) of Rust and Leone (1984) -- a multivariate version of the beta-binomial distribution for mixed media evaluation.

c) The Approximate Log-linear model (APR) of Danaher (1989) -- a model that applies linear regression analysis to the data input by transforming the actual frequency of each cell to its natural log;

Allocation Models

a) MEDIAC of Little and Lodish (1969) -- an on-line time-sharing system to evaluate and select media schedules;

b) AD-ME-SIM of Gensch (1969) -- a model using computer simulation to select advertising schedules; and

c) ADPLAN of Lancaster (Lancaster and Katz 1990) -- a mixed media model operated on personal computer

Interaction Models

ADMOD of Aaker (1975) -- a model which postulates advertising media effect as the cognitive changes of audiences.

The basic media planning terms used in this paper will follow Little and Lodish (1969)'s definition. A *media class* will be any means of transmitting an advertising message, such as television, newspapers, or magazines. A *media vehicle* will be any opportunity within the same media class such as a specific TV program, a specific magazine title, or a newspaper. A *media option* will be the space unit and specification within a vehicle such as a full page newspaper advertisement, a 30-second TV commercial, etc. An *insertion* is a specific purchase of one unit in one time period. A collection of insertions over one planning period will be a *media schedule*. Media scheduling includes both the choice of media class, media vehicle, and media options in a schedule.

Concepts common to all the seven models under study are listed in Table 1. As shown in the table, the scope of media is very limited in most of the models. Most of them are single-medium models. The choice is only different media vehicles and options. Except the BBD TV exposure model of Leckenby, all the other six models are either exclusively devoted to or include magazines. Obviously, the availability of data defines the scope of media in these models. ADPLAN is the only model that claims to handle the 12 most commonly used media. The media being included are local newspapers, national newspapers, newspaper supplements, consumer magazines, business publications, network television, spot television, cable television, network radio, spot radio, direct mail, and outdoor. Actually, ADPLAN handles only one media class at a time as one single schedule. The combination of several schedules of different media classes is a random procedure. The difference in the impact of each medium is not recognized. The maximum combination is 10 media classes.

Since the scope of media is limited to well-measured media, these models cannot accommodate non-measured media opportunities such as product placement in TV shows, feature

Table 1

Analysis of the Theoretical Concepts in Media Models

	BBD	DMD	APR	AD-ME-MEDIAC	SIM	ADPLAN	ADMOD
No. of Media	1	2	1	3	2	12	1
Audience Duplication							
self-pair		two insertions in each vehicle					
cross-pair		single insertion in each vehicle					
Media Schedules	S	S	AS	AS	AS	AS	AS
Media Weights	N	N	N	N	Y	Y	Y
Cost-efficiency	N	N	N	Cost per thousand			
Reach	No. of individuals exposed to a vehicle once						
Frequency	Average no. of exposures to a vehicle						
Effective Reach	Reach with a minimum no. of exposure						
and Frequency	The minimum no. of exposures to be effective						
Advertising effects							
	vehicle exposure			sales	vehicle exposure	communication	

Key:
S: Symmetric Schedules (equal number of insertions of several vehicles)
AS: Assymmetic Schedules (unequal number of insertions of several vehicles)
N: No Y: yes

advertising (Cameron and Haley 1992), checkout coupons, local cable TV stations, syndication TV, etc. The single medium model is of limited use if a planner wants to choose among different media classes before choosing the specific media vehicles. This restrictive scope of the media has confined media models to traditional mass media advertising. They are lacking in flexibility to adapt to changes in the media environment.

Individuals consume more than one media vehicle in their daily lives. This results in audience duplication in a media schedule, which is the overlap in the audiences of two or more vehicles. All media models have taken this factor into account in their models. There are two types of duplication among media vehicles. One is called self-pair which refers to the duplication of audiences into two insertions in the same media vehicle, say, one advertisement in two issues of *Ladies Home Journal*. The other type of duplication is called cross-pair which refers to the duplication of audiences in one insertion in two different media vehicles, say, one advertisement in both *Ladies Home Journal* and *Good Housekeeping*. Duplication of audience is counted in pairs of vehicles in all the models due to the complexity involved in second-order correlations (Rust 1988). In mixed media models such as MMDMD and ADPLAN, duplication also includes the duplication of audience between different media classes.

In real-life situations, most media schedules are a combination unequal insertions into different media vehicles. However, BBD and MMDMD, both developed in the mid 1980s, still requires symmetric insertions in media schedules in order to compute the duplication and exposure distribution. Here, the mechanical requirement of the probabilistic model sacrifices the applicability of the model to reality. Among those models that do not require equal insertions, they still are constrained by the two-insertion rating information of the Simmons data. The duplication that these models can estimate is only two insertions, and not multiple insertions in one vehicle.

Media weights are values assigned to different media according to the relative strength of a media vehicle in delivering an advertising message. Usually, if the editorial environment is more favorable to a particular kind of product, then a higher weight is assigned when calculating the impact or exposure value in the output. Most of the weights have been arbitrarily set within a range based on executive judgment of media planners. Among the models, AD-ME-SIM uses weighting heavily to take individual and media option source effect into accounts. Weights from 0 to 1 are added onto the past purchase behavior of an individual, the media class and vehicle type, and the frequency interval of exposure to the individual.

Achieving the best cost-efficiency is the ultimate goal for all media models. Yet what cost-efficiency means has not been clearly spelled out. From the list of cost-efficiency indicators in the output of allocation and interaction models, cost-efficiency is simply the maximum number of exposures to the target achieved by the vehicle selection within the set budget. The industry standard of cost per thousand (CPM) is used as the measurement of cost-efficiency. Only ADMOD uses contribution from segment as the measure of cost-efficiency. Except for interaction models such as ADMOD, the budget of all media models is preset or fixed before a schedule is chosen. Users can only work within the budget and try to maximize the number of exposures.

Exposure is not defined but implicit in all the models. Any reported physical contact with the media is taken as exposure in these models. Audience attentiveness and the quality of exposure is not considered in most models. MEDIAC attempt to incorporate the media option selection such as the size of the advertisement as a factor in determining the quality of the advertising exposure. In MEDIAC, the user can assign additional weights on the calculation of media exposure with a more favorable media option. The rating reported in syndicated research data serve as the data of audiences' exposure to media vehicles.

Reach is another basic concept in all these models as a measurement of media vehicle performance. Generally, the concept of reach has not been defined in the models because it has been taken for granted by the researchers that this concept is consensual in the field. It refers to any individuals who are at least exposed to the media vehicle one time without duplication. However, sometime reach is represented as a percentage of the total population (ADPLAN) or the absolute number of individuals (all other models). In Leckenby and Rice's BBD TV exposure model, there is a range of possible reach with an upper and a lower bound. The reach being computed is the average of the upper bound and lower bound reach.

Frequency in media scheduling models refers to the average number of times an individual is exposed to the vehicles in a schedule. Frequency of exposure varies among different individuals. The frequency distribution is an output of the media scheduling models. It is an estimation of the array of reach in different frequency levels.

Effective frequency has been a rather confusing concept since its inception in the field (Turk 1989). Though there is a general consensus among media professionals that audiences need to be exposed to advertising messages several times before making any decision, very few have attempted to define the concept clearly. There has been little empirical evidence to determine the minimum number of advertising exposures needed to have an effect on individuals. Usually, no individual difference is considered when determining the effective frequency level. Three or more exposures are considered as the industry standard (Lancaster and Katz 1990). The concept is a recognition of the effect of forgetting the advertising on consumers. Though effective frequency has been employed in most of the models, very few attempted to define it clearly. It is implicit that a certain type of distribution is more favorable than other when evaluating the exposure distribution of a media schedule in the models. Yet which type of distribution is best for which product or market segment is hardly known. For example, a new product or older consumers may require a more normal distribution of exposures than an established product, or younger consumers.

Effective reach is the application of the effective frequency concept in estimating the quality of the "reach". From the output of the models, effective reach is the percent of the target exposed to an advertising schedule some minimum number of times. There is a minimum frequency level for a reach to be considered as effective (Murray and Jenkins 1992).

The Advertising Research Foundation's 1961 Model for Evaluating Media has laid out six stages of advertising effects that can be attributed to media selection: 1)vehicle distribution, 2) vehicle exposure, 3) advertising exposure, 4) advertising perception, 5) advertising communication, and 6) sales response. For exposure distribution (evaluation) models such as BBD, DMD, APR, and an allocation model such as AD-ME-SIM, vehicle exposure is the only performance indicator of advertising effects. Unless there is some way to estimate advertising exposure directly from vehicle exposure, it is hard to accept that the task of media selection to convey advertising messages has been completed at the stage of mere vehicle exposure. Other models define advertising effects attributable to media exposure as the realization of the fraction of the sales potential (e.g. MEDIAC) and communication effects such as brand awareness, product knowledge and recall probability (e.g. ADMOD and ADPLAN). ADMOD, in particular, tries to explain the impact of cognitive changes on future sales with several hypothetical examples.

The effect of time in a media schedule has been specifically discussed in both MEDIAC and ADMOD. An audience is subject to forget over time. In addition to the belief that more exposure is essential to build up the mental state of the audience, these two models suggest that repetition is necessary to compensate for the loss of forgetting. MEDIAC also adds an upper constraint of multiple exposures. After reaching a certain level of exposure, it becomes apparent that the increase in exposure will yield diminishing return in the increase of sales.

In summary, the ability of media to convey advertising messages, drawn from the analysis of the concepts of the seven models, are:

1. The media consist only of media classes that are constantly measured by syndicated services or other research data. Audience data of a more-or-less complete list of vehicle for selection in those media classes are used in the models.
2. When there is more than one vehicle in a media schedule, there will be an overlap among the audiences and this overlap must be discounted in the calculation of overall media effects.
3. Different media vehicles have different strength in conveying the message effectively. To capture this difference, weight is added to different media in the calculation of the advertising response according to the perceived strength of the media. However, the dimensions being used to assign weight vary greatly in these models without empirical support.
4. Reach and frequency are the basic measurements of a media schedule's performance in delivering advertising messages to its audiences. Reach is limited but frequency of exposure varies among individuals. The impact of the combination of reach and frequency is measured

with gross rating points.

5. To be effective, an advertisement must achieve a certain number of exposures among the audiences. A one-exposure reach should be discarded in the measurement of effective reach.
6. All products start on the same basis. Past advertising efforts or product life-cycles are not considered.
7. Except ADMOD, all models assume that the advertising copy in each schedule has already been set and is of the same quality.
8. The ultimate criterion for selection of media schedule is cost-efficiency. When other qualitative factors are involved, the adjustment done is by adding weight to a vehicle by executive judgment or heuristics in the model.

By their quantitative and empirical nature, the concepts of media scheduling models have been mostly operationalized. Numerical values are assigned to each concept, even though the rationale may not be strong enough, such as using weighting procedures. Moreover, the advertising effect measure of communication in ADPLAN is preset, and the cognitive change proposed in ADMOD remains a theoretical argument without empirical evidence. Hence it seems that though communication effects of advertising are logically sound, it is hard to find empirical data support. The input of reach and duplication is highly dependent on syndicated research data sources such as W. R. Simmons (SMRB), Arbitron and Mediamark. The measurement problems of these syndicated research resources have been well-known. For a thorough review of their measurement problems, see Rice (1985) and Kishi (1983).

There are seven propositions about the relationship between media exposure and the subsequent consumer response drawn from these models. The major conflict is in the diminishing returns of advertising on advertising response. All evaluative models do not have an upper threshold of exposure frequency. In contrast, other models such as MEDIAC and ADMOD only seek optimal frequency, not maximal frequency of a schedule. Randomness of duplication is another controversial issue. Schultz and Block (1986), and Rice (1988) both show that the randomness assumption of duplication is unfounded and advocated a direct estimation method. Lancaster and Katz leave the randomness of duplication as an option in their ADPLAN model. In sum, the propositions on advertising effects in the media models are:

1. Audience duplication is random (BBD,DMD,APR,ADPLAN).
2. When exposure frequency distribution is skewed to 3+, then the schedule is viewed as having effectively reached the audience (BBD,DMD,APR,ADPLAN). There is only wearin effect to build up the mental state of the audience. The wearout effects of declining interest in excessive repetitive exposure toward the same advertisement has not been mentioned.
3. Some media vehicles have a higher value in delivering message to the audience than other (ADPLAN,ADMOD).
4. Advertising effects wear off after a certain period because of people forget exposures of the past (MEDIAC, ADMOD).
5. Advertising exposures have a diminishing return function on sales (MEDIAC).
6. Advertising precipitates specific consumer decisions by creating cognitive and affective changes on consumers (ADMOD).

Media scheduling model research has a strong methodological orientation, as shown from Chandon's comparison (1976) of 47 media exposure models. His work laid down the foundation on which researchers can evaluating media models (Rust 1988). Originally, he set theoretical validity, empirical support, and practical utility as the three criteria for determining the superiority of the models. In his analysis, however, only the latter two criteria have actually been compared. No discussion could be found on the theoretical validity of the models. Another evidence of such orientation is the emphasis on advancements in methodology in historical reviews of scheduling models. Classifications of models are based on their methods, and not the theoretical frameworks. Media models have been classified by the method being employed, such as linear programming, dynamic programming, simulation, and heuristic models (Calantone and de Brentani-Todorovic 1981; Leckenby and Ju 1990; Catry and Chevalier 1973).

Another issue in media modeling research is the vested interest of the developers of the models in the use of the industry. Many of them are funded by advertising agencies. Their applicability, rather than the truth is more important. As Priemer (1989) pointed out, if the truth shows lower reach and frequency than the past, advertisers and advertising agencies may not accept this lower but more accurate estimates.

THEORETICAL CONTRIBUTION

Despite the methodological orientation of media scheduling model research, we should not undermine its contribution to explaining the role of vehicle exposure and advertising exposure in creating advertising effects. All media models are built upon a distinct view of the advertising process. For example, exposure distribution models highlight the importance of understanding the variety of exposures to advertising among individuals, though their scope is limited to the distribution of vehicle exposure only. They provide us with a statistical estimation of the number of exposure which is useful for subsequent analysis of advertising effects such as awareness and recall. They can be viewed as basic media planning research that quantify the audience delivery power of advertising media.

Allocation models represent a more sophisticated view of the role of media in generating advertising effects. A clear target audience is identified. The weighting of the media vehicle, is an attempt to illustrate both qualitative and quantitative differences in advertising response. Nevertheless, it is far from satisfactory because of their arbitrary assignments. Repetitive media exposure has theoretically and empirically been shown to be useful in creating advertising awareness and compensate for the loss due to forgetting messages over a period of time.

The conceptualization of interaction models can be considered as the most promising in theoretical development. These models try to explain the advertising effects of a campaign by integrating the media and copy factors. In prototype interaction models, such as ADMOD, the whole process of vehicle exposure, advertising exposure, advertising perception and advertising communication, and sales response have already been included as separate parameters of the model. Still, the copy approach is too simplified to be either information based or image-based. Execution and production values of the advertisement have been included in the models. The complexity of the market environment has not been addressed either.

THE MISSING LINKS

The media scheduling models being examined in this paper tried to build causal theories on how media selection affects advertising response. They are all based on a reach and frequency paradigm. This paradigm limits the role of media in delivering advertising messages to the maximum number of target audience (target reach), and the maximum number of repetition (frequency) within the budget constraint. Advertising response is attributed only to a single factor of advertising exposure. The power of media in advertising has been exaggerated. Optimal frequency has been suggested to replace the effective frequency concept (Cannon and Riordon 1993).

Cost-effectiveness may be more a important criterion for choosing schedules than cost-efficiency. Effectiveness means quality of exposure, i.e. an advertising message in a chosen vehicle created an impact on the audiences. Efficiency is only the largest possible number that can be obtained but does not mean there is any impact. An analogy is that $100 may be able to buy 10 poorly-written books or three well-written books. If cost-efficiency is the criterion, one will buy the ten poorly-written books. If what wants is something enlightening and enjoyable, then one will buy the well-written three books. This is cost-effectiveness. One spent $100 to achieve what one wants.

Another shortcoming of these models is a homogenized treatment of products in different product life cycle and purchase cycle. Model builders might assume that an executive judgment on this marketing factor can be made after the exposures and output have been computed by the models. However this will leave the media planning function very subjective based on intuition and experience only, rather than empirical evidence or theory.

The role that the media's non-advertising message -- the context -- is overlooked (Norris and Colman 1993; Thorson 1990; Cannon 1982). The media's role is isolated from the other factors such as budget decision and copy decisions. The importance of the copy in predicting advertising readership has been well-documented in advertising research (Reid 1984; Houston and Stone 1985; Blair 1987). The only exception to this is ADMOD which incorporates interaction between the creative factor and the media choice into the model simply by multiplying the copy factor and vehicle option source effect (Aaker 1975). The reason why the copy factor and media source effect are of the equal importance in the model in determining advertising response has not been explained.

Conceptually, ADMOD still suffers from omission of the marketing factors in explaining advertising response. Its scope is still in the 1970s, when mass media was overwhelming and powerful with only several dominating vehicles. Stepping towards the 21st century, the media environment is much more complex with a proliferation of new media such as the telephone, fax machines, and placed-based media which try to link media to sales outlets. Researchers have generally come to realize the multiple sources of advertising messages that consumers are exposed to, apart from the mass media. The brand contact approach (Fortini-Campbell et. al 1993) has been proposed to include all sources of brand exposure in media planning. This is a spin-off from the advocacy of integrated marketing communication -- the integration of all means of communication as advertising media (Sissors and Bumba 1993).

The advertising world is characterized by fierce competition of similar products. The more competitive a market, the higher the advertising expenditure. In competitive markets such as the United States, the main task of advertising is not only to create a favorable attitude toward the advertised brand, but also to immunize consumers against advertising messages of the competitive brands. Media scheduling models have failed to address this competitive factor, as if the brand in the schedule is the only brand that advertises in those media vehicles. In the advertising industry, share-of-voice as a crude measure of the competitiveness of the product category has been well-accepted, but it is completely omitted in all the scheduling models.

The definition of advertising effect that can be attributed to media scheduling (repetition of commercials in particular) has been very controversial. It ranges from mere exposure (measured by recall or recognition) to actual increase in sales. The increasing pressure of advertisers to agencies on the effect of advertising in terms of sales has prompted research which has measured the effect of a media plan by sales increase only. It has resulted in a hasty unconditional conclusion that media vehicle exposure results in sales increase without controlling other marketing factors (Dittus and Kopp 1991; Zufryden 1984). The power of the media has been exaggerated and isolated from other marketing mix variables.

POTENTIAL OF MEDIA MODELS

There are two future directions for media model researchers. One is to relegate themselves as only computation tools that are based on probability theories. This seems to be the path that model researchers have taken (Katz and Turk 1992; Banks 1989). Media models simply supply the data and analysis essential for evaluation using advanced statistic and computer techniques. Interpretation and judgment of the data is made by media planners. Even so, they have to follow the latest development in media theory in order to provide the data and analysis needed for schedule evaluation. Otherwise, they are providing misleading output for the users.

The scope of the media in these models is too narrow for contemporary media planning. Most of them include only television and magazine where data are available. A single medium rather than mixed media is the norm. This limited scope is caused by the methodological and data-driven orientation of model researchers. Researchers justified the scope with the size of expenditure and the need for advance bookings in these media. However, this narrow conception of media has promoted the status quo of spending in the major established media where data are abundant, and discourage the creative use of new media.

The assumption that vehicle exposure is the same as advertising exposure is unwarranted, but still many media model researchers continue working under this assumption (Cannon and Riodorn 1993; Leckenby and Kim 1992). This can be attributed to the lack of data by model researchers. Yet if media models are for advertisers' use, this problem must be tackled. Advertisers only want to know how many people have been exposed to their advertisements, not how many times people use a media vehicle. The worry of the loss of advertising visibility is intensified by the increasing advertising clutter and new media technology. Both of these factors facilitate consumers' skipping of advertisements in a vehicle. With the introduction of new data services such as Nielson's commercial rating, this problem may be relieved and model builders have to distinguish advertising exposure distribution in their output. The dispute over the standard of error measurement should be given less attention than the basis of comparison.

Researchers have complained about the measurement problem of readership and viewership by the Simmons data. Yet they continue to use them to compare the accuracy of prediction among models. Typically, each model tests hundred of hypothetical schedules against syndicated audience data. Instead of competing for big sample size, model researchers can consider changing the data base from hypothetical schedules to a few real-life schedules which are supported by post-campaign research to test the accuracy of their models' prediction.

Another new avenue is to use media scheduling models as an approach toward refining the conceptualization of the advertising process. Media model research has a strong empirical base, a large quantity of data support, and represents a holistic view of the role of media in the advertising process. Its generalizability is much higher than the laboratory studies of other media research. It moves a step more further than theory research by its application of media theory to evaluation of media schedules in the advertising industry. In fact, the increasing usage of proprietary media scheduling models by the industry has shown that model researchers have set the pace for the industry (Leckenby and Boyd 1984; Kreshel et. al 1985; Turk and Katz 1992).

Media scheduling models have made use of the computer technology and quantitative techniques systematically to simulate and estimate how change in media selection affects advertising response. All variables of media and other elements of advertising decisions can be used as an input while the response output can be attributable to identifiable factors. This is a step away from guesswork toward accountability to advertisers . Measurement errors can be included in future models. Then the models will be less mechanistic and less biased by the data.

Unlike the past that is characterized by an impulse to apply the data to predict the future, the new model research should concentrate on integrating current findings in the media and advertising response theory. To be a valid model, the interaction between the copy and media must be included so that the advertising process is explained comprehensively. The new generation of media models should move toward identifying and explaining the relationships among the media, creative, and audience factors and their relative importance under different contexts.

REFERENCES

Aaker, David D. (1975), "ADMOD: An Advertising Decision Model." *Journal of Marketing Research*, 13, 37-45.

Banks, Seymour (1989), Considerations for a New ARF Media Evaluation Model. *Journal of Media Planning*, Fall, 8-10.

Blair, Margaret H. (1987), An Empirical Investigation of Advertising Wearin and Wearout. *Journal of Advertising Research*, 27 (6), 45-50.

Boivin, Yvan and D. Coulombe (1991), "Are Exposure Distributions Really Necessary?" *Current Issues & Research in Advertising*, 13(1 & 2), 227-238.

Calantone, Roger J. & U. de Brentani-Todorovic (1981), "The Maturation of the Science of Media Selection," *Journal of the Academy of Marketing Science*, 9(4), 490-524.

Cameron Glen T. and John E. Haley (1992), "Feature Advertising: Policies and Attitudes in Print Media," *Journal of Advertising*, 21(3), 47-56.

Cannon, Hugh M. (1982), "A New Method for Estimating the Effect of Media Context," *Journal of Advertising Research*, 22(5), 41-48.

Cannon, Hugh M. and Edward A. Riordan (1993), "The Pitfalls of Effective Reach and Frequency," in *Proceedings of the 1993 Conference of the American Academy of Advertising*, ed., Esther Thorson, 49.

Catry, Bernard R. and Michel Chevalier (1973), "The Evolution of French Media Models," *Journal of Advertising Research*, 13(3), 19-26.

Chaffee, Steven H. (1991), *Explication*. Newbury Park: Sage.

Chandon, Jean-Louis J. (1976), *A Comparative Study of Media Exposure Models*. Unpublished doctoral dissertation, Northwestern University.

Danaher, P. J. (1989), "An Approximate Log-linear Model for Predicting Magazine Audiences," *Journal of Marketing Research*, 26 (November), 473-9.

Dittus, Edward C. and Marty Kopp (1991), "Advertising Accountability in the 1990s: Moving from Guesswork and Gut Feelings," *Journal of Advertising Research*, 28 (November), RC7-12.

Donohew and Palmgreen (1986), "Conceptualization and Theory Building," in *Research Methods in Mass Communications*, eds., B. Westley, B. and G. Stempel, Englewood

Hills, NJ: Prentice Hall.

Dubin, Robert (1978), *Theory Building*. Revised Edition. New York: Free Press.

Fawcett, Jacquline & Florence S. Downs (1986), *The Relationship of Theory and Research*. Norwalk, Connecticut: Appleton-Century Crofts.

Fortini-Campbell, Lisa, Jannett Edelberg, Jayne Spittler, Clarke Caywood and Don Schultz (1993), "Planning Beyond Measured Media: The Brand Contact Approach," *Proceedings of the 1993 Conference of the American Academy of Advertising*, 266.

Gensch, Dennis H. (1969), "A Computer Simulation Model for Selecting Advertising Schedules," *Journal of Marketing Research*, (May), 203-14.

Guggenheim, B. (1984), "Advertising Media Planning and Evaluation. *Current Issues and Research in Advertising 1984*, 119-131.

Houston, F. S. and D. Scott (1984), "The Determinants of Advertising Page Exposure," *Journal of Advertising*, 13(2), 27-33.

Hughes, G. D. (1992), "Realtime Response Measures Redefine Advertising Wearout," *Journal of Advertising Research*, May/June, 61-77.

Hume, Scott (1992), "Trade Promos Devour Half of All Marketing Dollars," *Advertising Age*, April 13, 3.

Kaatz, Ronald B. (1987), "The Zapping Problem and Suggestions for Solutions," *Journal of Media Planning*, Spring, 29-34.

Killion, K. C. (1990), "Media Models: Questions Needing Answers for Researchers Needing Questions," *Journal of Advertising Research*, June/July, RC7-8.

Kim, Heejin and John D. Leckenby (1993), "A Test of the Canonical Expansion Reach/Frequency Model," in *Proceedings of the 1993 Conference of the American Academy of Advertising*, ed., Esther Thorson. American Academy of Advertising.

Kishi, Shizue (1983), *Exposure Distribution Models in Advertising Media*. Unpublished doctoral dissertation, University of Illinois at Urbana-Champaign.

Kreshel, Peggy J., Kent M. Lancaster, and Margaret A. Toomey (1985), "How Leading Advertising Agencies Perceive Effective Reach and Frequency," *Journal of Advertising*, 14(3), 32-39.

Krugman, Dean M. (1985), "Evaluating the Audiences of the New Media," *Journal of*

Advertising, 14(4):21-27.

Krugman, Herbert (1968), *Process Underlying Exposure to Advertising*, 14th Annual Conference, Advertising Research Foundation.

Lancaster, Kent and Helen Katz (1990), *Strategic Media Planning*. Lincolnwood: NTC Business Books.

Leckenby, J. D. & M. M. Boyd (1984), "How Media Directors View Reach/Frequency Model Evaluation Standards," *Journal of Advertising Research*, 24(5), 43-51.

Leckenby, J. D. & Kuen H. Ju (1990), "Advances in Media Decision Models," *Current Issues and Research in Advertising*, 12, 311-357.

Leckenby, J. D. & Heejin Kim (1992), *Unresolved Issues in Media Reach/Frequency Models*. Paper presented at 1992 Annual Conference, American Academy of Advertising, San Antonio, Texas.

Lamond, James (1987), "The Impact of Channel Switching on Commercial Audiences." *Journal of Media Planning*, Fall, 27-32.

Lodish, Leonard M. (1973), "Exposure Interactions among Media Schedules," *Journal of Advertising Research*, April, 31-34.

Little, John D. C. and Leonard M. Lodish (1966), "A Media Selection Model and Its Optimization by Dynamic Programming," *Industrial Management Review*, 8 (Fall) 15-23.

Little, John D. C. and Lodish, Leonard M. (1969), "A Media Planning Calculus," *Operations Research*, 17(1), 1-35.

McLuhan, Marshall (1964), *Understanding Media*. New York: McGraw-Hill Book Company.

Murray, G. B. & J. R. Jenkins (1992), "The Concept of Effective 'Reach' in Advertising," *Journal of Advertising Research*, May/June, 34-42.

Norris, Claire E. and Andrew M. Colman (1992), "Context Effects on Recall and Recognition of Magazine Advertisements," *Journal of Advertising*, 21(3), 37-46.

Phelps, Stephen P. (1993), "A Media Evaluation Model for the 21st Century," in *Proceedings for the 1993 Conference of the American Academy of Advertising*, 60-72.

Priemer, August B. (1989), "A Better Media Model Starts with Understanding how Advertising Works," *Journal of Media Planning*, 4(2), 29-32.

Reid, L. N. et al., (1984), "Attention to Magazine Ads as a Function of Layout Design," *Journalism Quarterly*, 61(2), 439-441.

Reynolds, Paul (1971), *A Primer in Theory Construction*. Indianapolis: The Bobbs-Merrill Co. Inc.

Rice, Marshall D. (1985), *Television Exposure Distribution Models in Advertising Media.* Unpublished doctoral dissertation, University of Illinois at Urbana-Champaign.

-------- (1988), "A Practical Method for Estimating Reach and Frequency of Mixed Media," *Journal of Media Planning*, Fall, 29-39.

Rust, Roland T. (1986), *Advertising Media Models: A Practical Guide*. Lexington: D. C. Heath and Co.

Rust, Roland and Stout, Patricia A. (1989), "Can Existing Media Selection Models Incorporate Qualitative Aspects of Television Viewing?" in *Proceedings of the 1989 American Academy of Advertising*, RC99-103.

Rust, Roland T. & Robert P. Leone (1984), "The Mixed-media Dirichlet Multinomial Distribution: A Model for Evaluating TV-Magazine Advertising Schedules," *Journal of Marketing Research*, 21(Feb), 89-99.

Schultz, Don E. and Martin P. Block (1986), "Empirical Estimation of Advertising Response Functions," *Journal of Media Planning*, Fall, 17-24.

Sprague, Jeremy D. (1989), "Elements of the Media Model We Should Change, Keep, or Continue to Evaluate," *Journal of Media Planning*, Fall, 45-49.

Stewart, David W. (1992), "Speculations on the Future of Advertising Research," *Journal of Advertising*, 21(3), 1-18.

Thorson, Esther (1990), "Consumer Processing of Advertising," *Current Issues and Research in Advertising*, 12, 197-230.

Turk, Peter B. (1989) "Effective Frequency Report: Its Use and Evaluation by Major Agency Media Department Executives," *Journal of Advertising Research*, 28 (April/May), 55-59.

Turk, Peter B. and Helen Katz (1992), "Making Headlines: An Overview of Key Happenings in Media Planning, Buying, and Research from 1985-1991," *Journal of Current Issues and Research in Advertising*, 14(2), 19-34.

Zufryden, F. S. (1984), "Measuring Media Reach and Frequency Elasticities of Demand. *Current Issues and Research in Advertising*, 1984, 119-131.

AUG 24 '94

U.S. DEPARTMENT OF EDUCATION

OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT (OERI)

EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

Please return to:
ERIC/RCS
150 Smith Research Center
Bloomington, IN 47408-2698

REPRODUCTION RELEASE (Specific Document)

I. DOCUMENT IDENTIFICATION

Title: Media Scheduling Models and Advertising Effects: Conceptualization and Theoretical Implications.

Author(s): LOUISA HA

Corporate Source (if appropriate):

Publication Date: 8/11/1994

II. REPRODUCTION RELEASE

In order to disseminate as widely as possible timely and significant materials of interest to the educational community, documents announced in the monthly abstract journal of the ERIC system, Resources in Education (RIE), are usually made available to users in microfiche and paper copy (or microfiche only) and sold through the ERIC Document Reproduction Service (EDRS). Credit is given to the source of each document, and, if reproduction release is granted, one of the following notices is affixed to the document.

If permission is granted to reproduce the identified document, please CHECK ONE of the options and sign the release below.

CHECK HERE ☑ Microfiche (4" x 6" film) and paper copy (8½" x 11") reproduction

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY
[PERSONAL NAME OR ORGANIZATION, AS APPROPRIATE]
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

OR

☐ Microfiche (4" x 6" film) reproduction only

"PERMISSION TO REPRODUCE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY
[PERSONAL NAME OR ORGANIZATION, AS APPROPRIATE]
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

Documents will be processed as indicated provided reproduction quality permits. If permission to reproduce is granted, but neither box is checked, documents will be processed in both microfiche and paper copy.

"I hereby grant to the Educational Resources Information Center (ERIC) nonexclusive permission to reproduce this document as indicated above. Reproduction from the ERIC microfiche by persons other than ERIC employees and its system contractors requires permission from the copyright holder. Exception is made for non-profit reproduction of microfiche by libraries and other service agencies to satisfy information needs of educators in response to discrete inquiries."

SIGN HERE

Signature: Louisa Ha
Printed Name: LOUISA HA
Organization: Journalism Dept. Bowling Green State University
Position: ADJUNCT PROFESSOR
Where to send complimentary microfiche-->
Address: 302 West Hall
Tel. No.:
Zip Code: 43403
Date:

III. DOCUMENT AVAILABILITY INFORMATION (Non-ERIC Source)

If permission to reproduce is not granted to ERIC, or, if you wish ERIC to cite the availability of the document from another source, please provide the following information regarding the availability of the document. (ERIC will not announce a document unless it is publicly available, and a dependable source can be specified. Contributors should also be aware that ERIC selection criteria are significantly more stringent for documents which cannot be made available through EDRS.)

Publisher/Distributor:
Address:
Price Per Copy:
Quantity Price:

IV. REFERRAL TO COPYRIGHT/REPRODUCTION RIGHTS HOLDER

If the right to grant reproduction release is held by someone other than the addressee, please provide the appropriate name and address:

EFF-53 (Rev 4/86)

BEST COPY AVAILABLE

GUIDELINES FOR COMPLETING THE REQUEST FOR REPRODUCTION RELEASE FORM

Under the present copyright law a reproduction release must be obtained for each document before it can be processed for the ERIC system. There are three options:

(Level I) Microfiche (4" x 6" film) and paper copy (8-1/2" x 11") reproduction

This option, which allows ERIC to make the document available on microfiche or in paper copy is most frequently chosen by authors. (77% of ERIC documents are entered as Level I.) This arrangement does not preclude later publication of the document or sale of a printed version by author or institution. However, if you have a limited supply of printed copies or if the document should go out of print, a copy of your document from which other copies can be made will always be available in ERIC.

(Level II) Microfiche (4" x 6" film) reproduction only

This option allows ERIC to make the document available throughout the system on microfiche only. It is most useful if you have a large supply of printed copies but would like to refer requestors to ERIC once your supply is exhausted. This arrangement does not preclude later publication of the document, or sale of the printed document by the author or institution. The ERIC copy of the paper serves an archival function. (13% of ERIC documents are entered in this way.)

(Level III) Document may not be reproduced by ERIC. (Complete Section III of the form.) The document will be cited with bibliographic information, an abstract, and availability information.

NOTE: It is recommended that materials be submitted at Level I or Level II to insure their future availability.

Brand Recall for Product Placements in Motion Pictures: A Memory-based Perspective

by

Shonali Sabherwal, M.A. '93
Marquette University

Dr. Jim Pokrywczynski
and
Dr. Robert Griffin
College of Communication
Marquette University
1131 W. Wisconsin Ave.
Milwaukee, WI 53233
414-288-3451

presented to:
AEJMC 1994 Ad Division-Research
Atlanta, GA

Brand Recall for Product Placements in Motion Pictures: A Memory-based Perspective

Abstract

This study analyzes the recall of brand names from product placements in motion pictures, an alternate advertising channel growing in popularity among marketers. Two types of product placements are tested in an experiment: visual only and a visual/verbal combination appearance in a popular movie.

In addition, a theoretical explanation for the potential effects of motion picture product placements is tested. The semantic processing network and dual coding theory are used to evaluate the ability and procedures viewers use to allow product placement exposures into their memory schema.

In the end, implications for advertising strategies in the use of motion picture product placements are discussed.

Brand Recall for Product Placements in Motion Pictures: A Memory-based Perspective

For years marketers have sought alternatives to the traditional channels of broadcast and print advertising to get marketing messages out to consumers. Product placements in motion pictures, albeit not a new phenomenon, are one way more and more marketers have attempted to deliver an advertising message in a more receptive environment for communication. Movie viewers, whether in a theater or watching a videotape at home, offer the potential of a captive audience with their selective exposure mechanisms for advertising relaxed since they know their movie viewing experiences will not be interrupted by commercials, unlike their experiences with television.

The effects that product placements have in motion pictures on recall levels among audiences rarely have been examined in the scholarly press. One unpublished study showed an average recall level among movie viewers of 32% (Steortz 1987). Steortz (1987) found recall differences based on how products were depicted in movie scenes. Five types of depictions were identified, with visual appearance of a product package combined with verbal endorsement of the brand showing superior recall (57%).

The present study attempts to extend Steortz's findings by explaining why a verbal/visual product depiction shows superior impact over a visual only brand name depiction. The study analyzes the nature of the stimulus by relying on Pavio's theory of mental imaging (1969, 1971). The memory processing strategy likely to be employed by viewers exposed to the verbal/visual depiction versus the visual-only will be assessed through Pavio's dual coding scheme (1975). Understanding how information from such exposures is represented and encoded in long term memory (LTM), and how the brand name becomes available to viewers at a future time will help marketers improve strategies to use motion picture product placements and integrate them with other tactics to maximize the exposures' influence on consumer behavior. Discussion of the semantic network model (Rumelhart, Lindsay and Norman 1972; Tulving 1972) will contribute to this understanding.

Literature Review

Although only one scholarly study of the effects of product placement in motion pictures could be found, there has been plenty of discussion of product placements in the advertising and marketing trade press. From 1984 to 1992, 28 articles have discussed the potential benefits and limitations of product placements. In addition, several firms have arisen to assist marketers in placing products in motion pictures as well as tracking the impact of such placements. These firms usually conduct exit surveys at theaters and use cost per thousand calculations to evaluate cost efficiencies for the identified effects (Brown 1989).

Of course the opportunity to expose products and/or their brand names to consumers have expanded considerably of late, especially as marketers seek alternatives to the traditional media and the cluttered communication environments those media deliver (Krugman, Reid, Dunn and Barban 1994). For example, 904 product placements appeared in one 24 hour period of network television programs, according to a Northwestern University content analysis reported in Advertising Age (7/12/93). Almost half the "plugs" show the brand name clearly, while another 35 percent mention the brand name.

The use of televised sports is another way marketers are slipping subtle reminders of brand names into consumers minds and the strategy is popular (Helyar 1994). For example, marketers in 1991 spent over $3 billion on sports sponsorships hoping to gain exposure to company and brand names (Turner 1991). By placing advertising signs in sports arenas within camera view during televised sports coverage, advertisers are receiving millions of impressions while making it difficult for viewers to avoid by "zapping" (remote control channel changing) or "zipping" (fast forwarding) during commercials. These exposures have proved impactful, with one research study showing 56% of respondents recalled seeing at least one sports arena ad displayed courtside while viewing a sports telecast on television and an additional 24% recalling two or more (cite withheld pending review).

Movies are an attractive vehicle for many advertisers not only because of the improved communication environment advertisers find their messages in, but also because of the market segment that comprises the movie audience. Young, up-and-coming consumers, alternatively called "Generation X," "Twentysomethings," or other labels, index high among consumer segments both in terms of movie going and videotape movie viewing (Simmons 1991a+b). Advertisers that can establish brand recognition and loyalty at these earlier stages in consumption behavior can enjoy stable brand franchises for many future years. Research indicates this segment also has a distinct distaste for traditional advertising, making subtle product placements in movies an acceptable means of marketing communication (Howe and Strauss 1993; Donaton 1993).

Theoretical Discussion

Keller (1987) claims that processed advertising information is stored in long term memory (LTM). Information stored in (LTM) is considered to be relatively permanent and allows consumers to build brand knowledge from past and present information sources (Sanders 1975). In a product placement situation advertisers hope that audience members would relate brand exposures in movies with past knowledge of the brand as well as recall the brand name in a later situation (purchase decision at the store) (Brown 1989). Consequently, LTM plays a significant role in product placements.

In this study, the first step is to outline a model of how consumers would process information in a product placement situation. The semantic network model (Rumelhart, Lindsay and Norman 1972) appears to best explain how audience members process brand name information when they encounter it in dialogue (e.g., brand name mentioned). Processing of the visual image of a brand (e.g., brand or package appears in scene) will rely on Pavio's theory of imagery. Dual coding, when placements appear in both verbal and visual form, will be addressed as will depth processing in the form of differentiation and complexity.

Semantic network

Semantic memory is the memory for the use of language and is considered to be a mental thesaurus. This type of memory contains organized knowledge of words, symbols, their meanings and referents, and also contains relations among associations of words, rules and formulas for the manipulation of these symbols (Klatzky 1984).

The semantic network model is hierarchical and considers associations as by-products of sets of directed, meaningful relationships (links) among nodes (concepts). The Rumelhart, Lindsay and Norman (1972) model posits that the basic structural element is a set of interconnected nodes as in: R, R[C1.......Cn] where R=relation and C1...Cn=different nodes.

Nodes can represent any cluster of information in the memory. A relation is an association among a set of nodes and has two important properties: it is labeled and it is directed. The relations interconnecting nodes have distinctive meanings, depending on the direction of the relation. These bidirectional relations are used by the memory system to encode logical or semantic associations among nodes.

Another aspect concerning the organization of these nodes is that higher-order nodes may be defined by the concentration of lower-order nodes (Rumelhart, Lindsay and Norman 1972). Quillian's model (1969), depicted each word in a configuration of other memory, the meaning of any word being represented in relation to other words. For example, the information stored for the word "canary" is a "bird" and has the properties "can sing" and "yellow" among others. At a higher node, the general properties about birds are nested (excuse the pun) together (e.g., has wings, can fly, feathers). This information need not be stored with each separate kind of bird. This model shows that words stored in semantic memory are stored in some hierarchy. More abstract ones are stored at a higher level, with more concrete ones at lower levels.

Exposure to advertising can produce the following type of nodes (Hutchinson and Moore, 1984):

1) Brand-specific information: information in the ad intended to persuade consumers of the merits of buying the brand (e.g., brand attributes, who should use the brand, when and where).
2) Ad-specific information: information in the ad execution related to its form (e.g., medium) and content (e.g., style and tone of presentation).
3) Brand ID: identification of brand.
4) Product category: information related to uses of product and experiences with product.
5) Evaluative reactions: evaluative reactions, both cognitive and affective, that may arise from the message.

Product placements in motion pictures are most likely to directly produce (2) and (3) above, and to a lesser extent (5).

Specifically, retrieval of information from LTM based on a network model occurs through the spreading of activation (Anderson 1983). A particular node in LTM is activated by a retrieval cue (exposure to a product placement), and activation spreads from that node to other linked nodes in LTM. When the activation exceeds threshold level, its content is recalled. The strength of association between the activated node and all other linked nodes determines which nodes are activated.

Processing information at a semantic level allows the individual to make more links between the new information and old info stored in LTM. Retrieval of a brand name that is stored in LTM requires an individual to think about a brand in terms of other information in LTM about the brand. For product placements, a viewer who sees a Coca-Cola can in a scene would connect the brand with an attribute (e.g., on sale last week at grocer). In this case, subsequent brand recall may be easier.

The relevance of this process is important since consumers typically do not purchase products immediately following advertising exposure. When the consumer is faced with brand choice at the point of purchase, a process similar to that which occurs during product placement exposures occurs. Display of the various brand names instigates retrieval of related nodes and a decision is arrived at based on this retrieval.

Imagery

Imagery is defined as a mental event involving visualization of a concept or relationship. The dominant explanation for the strong presence of pictures in memory is their impact on mental imagery, the process by which a previously experienced stimulus is recreated in one's mind (Pavio 1969). Pavio's review of the literature shows words are better recalled when the subject sees an accompanying picture. Kisielius (1982) extends this summary by showing that pictorial information induces more cognitive elaboration, resulting in the development of more storage locations and pathways in memory. This increases the likelihood of future retrieval. These results have been duplicated in an advertising context (Lutz and Lutz 1977).

For product placements in movies, it is apparent the role of the product in the scene will affect the amount of elaboration focused on it. A product that is clearly visible and in the foreground of the action is likely to induce more storage locations than a product sitting on a shelf or barely visible in the background.

Dual coding

Pavio's dual coding theory (1971) explains how verbal and nonverbal memory systems interact to facilitate information processing. Within this framework, information can be encoded and stored in two different ways--verbally and nonverbally. However, by being interconnected through a related node (e.g., brand) an additive effect can occur for recall.

The notion of independent but interconnected systems implies distinct levels of processing. One level is known as referential processing. At this level, there is an interconnection between images and verbal representations--a word arouses some corresponding image and an exchange or sharing occurs between the two processing levels.

In an experiment by Meyer (1991), students were shown an animated demonstration of a bicycle tire pump that included either a verbal description _before_ or _during_ the animation. The _during_ group outperformed the _before_ group on problem solving tasks that included reasoning about the pump's operation. In a follow-up experiment, students in the _during_ condition outperformed students who saw the animation only, heard only the verbal explanation of the pump, or served as a control group. Results showed that dual coding can occur and produces additive effects.

Consequently, one hypothesis that will be tested in this study is:

H1: Viewers exposed to both verbal and visual brand name stimuli will exhibit greater recall of brand name than those exposed to a visual-only product placement.

Although dual coding theory provides a sound basis for making the above prediction, brand name recall is not an error-free operationalization of depth processing. For example, an individual's ability to express what was recalled, alertness at the time of exposure and testing in addition to other individual and environmental conditions can influence recall. Consequently, further understanding of the depth of processing induced by alternate product placements requires knowledge of two properties identified by Zajonc (1960) as reflective of cognitive structure: differentiation and complexity.

Depth of processing: Differentiation

Zajonc (1960) defines differentiation as the number of subsets included in a cognitive set for a particular object (e.g., brand). Some individuals may use more characteristics and attributes than others to discriminate and identify a particular object. These reactions reflect, among other things, the amount of information an individual received in the past about the object and the type of experiences with that information.

According to the semantic network, each attribute would represent another node. Audience members in a visual and verbal brand placement situation would have more nodes available about the brand than those in a visual only situation. Zajonc (1960) would add that these additional nodes would allow individuals to distinguish information related to a particular object better than individuals with less nodes, leaving the former individuals less confused and ultimately with a clearer sense of what the object is and can do for them.

Depth of processing: Complexity

According to Zajonc (1960), the degree of complexity in cognitive structure is defined in terms of the extent of the divisions and subdivisions within the structure. Instead of focusing on the number of separate nodes related to an object (differentiation), complexity focuses on the organizing or grouping of attribute subsets and supersets.

For a product example, consider the attribute "good acceleration" for a car. This attribute could be grouped together with positive attributes like "fun to drive" and "fast." However, acceleration could also be linked with negatives like "gas guzzler" and "likely to go fast" as well as "help safely pass cars on a hill." This multiple positioning of a single attribute would reflect the cognitive complexity surrounding this object.

According to Zajonc, the more subdivisions there are in a set of attributes about an object, the more the parts thus isolated are themselves divided, the higher is the degree of complexity. Put another way, a viewer exhibiting the ability to group and regroup and regroup again attributes into more specific and narrow subgroups exercises a complex cognitive structure for that object. A formula provided by Zajonc (1960) is:

$\mathrm{Com}\ (C)=\mathrm{Sum}\ ni^{i}$

where ni=number of subsets in the i-th level

The degree of complexity would give researchers an indication of whether the audience member processes information semantically in a product placement situation.

In addition, complexity would help determine if visual and verbal product placements led to greater numbers of linkages formed in memory between product attributes and brand name.

This leads to a second set of hypotheses tested for this study:

2a: Subjects exposed to verbal and visual brand name placement will have a greater degree of differentiation than those in the visual-only condition.

2b: Subjects exposed to verbal and visual brand name placement will have a greater degree of complexity than those in the visual-only condition.

Method

A post-test only with control group design (Campbell and Stanley 1963) was used for an experiment in which subjects were randomly assigned to one of two conditions: (1) visual and verbal display of a brand name product; (2) visual-only brand display.

Undergraduate students from two universities in a midwest metropolitan area volunteered for the study. This group was particularly important to test since, according to Simmons (1991b), almost 57% of 18-24 year olds (the segment tested in this study) attend movies within a typical 90-day period, the highest index among all age brackets. This group attends anywhere from 20-36 movies per year. Propensity to view movies on videocassette also ranks high, with 50% renting videos on a regular basis (Simmons 1991a).

The stimulus used was a 10-minute segment of the movie Days of Thunder, starring Tom Cruise, about a race car driver. The same segment of the movie was used in both conditions with the difference being the verbal mention was overdubbed with silence in condition (2) above. The overdub was obscure because the visual scenario did not necessarily need explanation (A close-up of a race driver with a logo of a nationwide fast-food restaurant on his shirt while the track announcer said, "here comes Russ Wheeler driving the Hardee's-sponsored car."). The product placement occurred in about the middle of the viewing experience. A total of 62 respondents were evenly divided between the two conditions.

Subjects were instructed not to be concerned with memorizing details of the movie, were asked to view the movie like they would at home and were told to be ready to evaluate the movie afterward. Following viewing of the movie clip in small groups, respondents were handed a questionnaire along with a stack of blank index cards lettered A to ZZ.

Post-test measures

Recall--This dependent measure was assessed through an open-ended question (unaided) that read: "Do you remember any brand names in the movie clip you just viewed? If yes, what names do you remember?"

Differentiation--The question said: "There was a brand name of a fast food restaurant included in the movie clip you just viewed. On each index card write one characteristic which describes this restaurant." The number of cards written on constituted the degree of differentiation.

Complexity--The question measuring this said: "Lay out in front of you all the cards you used to list characteristics of the restaurant named in the movie clip. Look over them carefully and arrange them into broad natural groupings. Then look at each group and determine if further breakdowns within each group can be made. Give names/titles to your groups and subgroups."

Respondents were told not to omit any items in their groupings. The number of groupings and subgroupings was summed in accordance with Zajonc (1960) to produce a quantified variable for complexity.

Results

Chi-square analysis of unaided recall across the two conditions showed differences at p=.1 but not at p=.05, with superior recall for the visual and verbal condition (See Table 1). Almost 65% of respondents recalled the Hardee's logo for the visual/verbal placement versus 43% for the visual-only display (X^2=2.69 (df=1), p<.1). H1 is not accepted, but a larger sample size is likely to produce significant differences in unaided recall.

Table 1 here

Statistically significant relationships were found between differentiation and complexity and type of product placement (See Table 2). For differentiation, respondents in the verbal/visual placement condition averaged 14.6 attributes listed compared to almost 11 for the visual only condition (t=2.65 (df=60), p<.05).

For complexity, the number of attributes weighted by their ordering again showed differences in favor of the visual/verbal condition (t=2.03 (df=47), p<.05). Both H2a and b were supported.

Table 2 here

Discussion and Implications

Superior recall (albeit statistically significant at p=.1) for product placements in the form of both verbal and visual display support the additive effect of delivering information through multiple channels. Exposure to brand name information both in visual and verbal cues appear to result in more linkages of nodes, making later retrieval easier.

Additionally, recall levels of 45% for product placements using visual-only displays suggest this marketing communication tactic can be impactful as well. Despite the fact that the test product (Hardee's) is available in the market tested, which makes control of prior experience and advertising exposure impossible, superior performance was found for unaided recall, a variable measured in such a way to provide no cues as to what product or advertising stimulus was of interest to researchers. Such a measure should provide a true reflection of the potential impact of this communication channel.

The findings for differentiation and complexity provide further understanding of how product placements work. First, statistical differences involving both elements of cognitive structure suggest that exposure to cues from multiple sources (verbal and visual) brings more attributes to the forefront and keeps receivers processing these attributes in more complex ways. Second, differences in both differentiation and complexity provide evidence of dual coding capabilities among viewers.

The results of this study indicate that additional cues in a product placement situation facilitate processing and subsequent recall of the brand name. The link between exposure and multiple outcomes (differentiation, complexity and recall) shows the potential influence marketing symbols have on consumer behavior (Swartz 1983).

Since motion pictures appear to be a successful medium to deliver brand identification and related information processing, examination is needed of additional ways to deliver product placements. Tests of verbal-only product placements, not to mention the confounding effects of audience mood and other factors related to the content and situation in which a product appears, would add further to the foundation established here.

At the same time, implications from these results must be tempered by several limitations of the study. First, the use of an existing and well-established brand name fast food restaurant introduces prior familiarity and preference among variable that cloud the relationships found. However, the trade off seemed reasonable given the advantages of using a professional looking, typical and credible environment for the product placement test (a real movie).

The juxtaposition of multiple dependent measures in the survey instrument raises questions about the demand effects of the procedure. Did questions about what brands were recalled cue differential and complex processing or vice versa? Obviously, some level of intercorrelation exists among these similar measures of cognitive activity. Varying the measurement format would help identify any undesirable effects that employing multiple measures may introduce.

References

Anderson, J. (1983), The architecture of cognition, Cambridge, MA:Harvard University Press.

Brown, Kathy (1989), CinemaScore creates product placement measurement, Adweek, 30, 30-31.

Campbell, D. and Stanley, J. (1963), Experimental and quasi-experimental designs for research, Chicago:Rand.

Donaton, Scott (1993, Feb. 1), The media wakes up to Generation X, Advertising Age, 64(5), 16-17.

Fawcett, Adrienne (1993, July 12), Free TV 'ad plugs' are on the rise, Advertising Age, 21.

Helyar, J. (1994, March 18), Signs sprout at sports arenas as a way to get cheap TV ads, The Wall Street Journal, B1,B8.

Howe, N. amd Strauss, B. (1993), 13th Generation:Abort, retry, ignore, fail?, New York:Random House.

Hutchinson, J. and Moore, D. (1984), Issues surrounding the examination of delay effects of advertising, in T. Kinnear (ed.) Advances in Consumer Research, 11, Provo, UT:Association for Consumer Research, 660-665.

Keller, K. (1987), Memory factors in advertising:The effect of advertising retrieval cues on brand evaluation, Journal of Consumer Research, 14, 316-331.

Kisielius, J. (1982), The role of memory in understanding advertising media effectiveness:The effects of imagery in consumer decision making, in K. Monroe (ed.) Advances in Consumer Research, 9, Ann Arbor, MI:Association for Consumer Research, 183-186.

Klatzky, R. (1984), Memory and awareness, San Francisco: Freeman.

Krugman, D., Reid, L., Dunn, W. and Barban, A. (1994), Advertising: Its Role in Modern Marketing, Chp. 18, Fort Worth: Harcourt Brace.

Lutz, K. and Lutz, R. (1977), The effects of interactive imagery on learning: Application to advertising, Journal of Applied Psychology, 62, 493-498.

Meyer, R. (1991), Animation need narrations: An experimental test of a dual coding hypothesis, Journal of Educational Psychology, 83(1), 181-190.

Pavio, Allan (1969), Mental imagery in associative learning and memory, Psychological Review, 75, 241-260.

Pavio, Allan (1975), Imagery and long-term memory, in A. Kennedy and A. Wilkes (eds.), Studies in long-term memory, New York: John Wiley & Sons.

Quillian, M. (1969), The teachable language comprehender: A simulation program and theory of language, Communication of the Association for Computing Machinery, 12.

Sanders, A. (1975), Some remarks on short term memory, in P. Babbit and S. Doring (eds.), Attention and performance, New York:Academic Press.

Rumelhart, D., Lindsay, P. and Norman, D. (1972), A process model for long term memory, in E. Tulving and W. Donaldson (eds.), Organization of memory, New York: Academic Press.

Simmons Market Research Bureau, Inc.(1991a), Study of Media and Markets author, P-10, 474.

Simmons Market Research Bureau, Inc.(1991b), Study of Media and Markets author, P-7, 560.

Steortz, Eva (1987), The cost efficiency and communication effects associated with brand name exposure within motion pictures, unpublished master's thesis, School of Journalism, Morgantown:University of West Virginia.

Swartz, T. (1983), Brand symbols and message differentiation, Journal of Advertising Research, 23(5), 59-64.

Tulving, E. (1972), Episodic and semantic memory, in E. Tulving and W. Donaldson (eds.), Organization of memory, New York: Academic Press.

Turner, M. (1991, Oct. 2), Sponsorship fee just gets a firm inside the door, Atlanta Journal, E1.

Zajonc, R. (1960), The process of cognitive tuning in communication, Journal of Abnormal and Social Psychology, 61, 159-167.

TABLE 1: Chi-square results on the % of brand name recall "Hardees" between *experimental* & *baseline* groups

Dependent Variable Recall "Hardees"	%	Chi-Square	Df	Sig
VV Placement Experimental	65	2.69	1	.1
V Placement Baseline	43			

VV: Verbal and visual brand name endorsement placement
V: Visual-only brand name placement

TABLE 2: T-test for two independent samples on degree of differentiation & complexity between *experimental* & *baseline* group.

	Mean Score for Two Placement Situations			
PROPERTY	VV Placement Ex. Group	V Placement Base. Group	t	Df
Diff.	14.60 n=28	10.79 n=32	* 2.65	60
Comp.	25.57 n=28	16.14 n=32	* 2.03	46.67

* $p<.05$ one-tailed

VV: Verbal and visual brand name endorsement placement
V: Visual-only brand name placement

Ex. group: Experimental group
Base. group: Baseline group

Diff.: Degree of differentiation
Comp.: Degree of complexity

U.S. DEPARTMENT OF EDUCATION

OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT (OERI)

EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

Please return to:
ERIC/RCS
150 Smith Research Center
Bloomington, IN 47408-2698

REPRODUCTION RELEASE (Specific Document)

I. DOCUMENT IDENTIFICATION

Title: Brand Recall for Product Placements in Motion Pictures: A Memory-based Perspective

Author(s): Shonali Sabherwal, Jim Pokrywczynski & Robert Griffin

Corporate Source (if appropriate):

Publication Date: 3/94

II. REPRODUCTION RELEASE

In order to disseminate as widely as possible timely and significant materials of interest to the educational community, documents announced in the monthly abstract journal of the ERIC system, Resources in Education (RIE), are usually made available to users in microfiche and paper copy (or microfiche only) and sold through the ERIC Document Reproduction Service (EDRS). Credit is given to the source of each document, and, if reproduction release is granted, one of the following notices is affixed to the document.

If permission is granted to reproduce the identified document, please CHECK ONE of the options and sign the release below.

CHECK HERE ➧	☒	Microfiche (4" x 6" film) and paper copy (8½" x 11") reproduction	"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY [PERSONAL NAME OR ORGANIZATION, AS APPROPRIATE] TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."	OR ☐	Microfiche (4" x 6" film) reproduction only "PERMISSION TO REPRODUCE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY [PERSONAL NAME OR ORGANIZATION, AS APPROPRIATE] TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

Documents will be processed as indicated provided reproduction quality permits. If permission to reproduce is granted, but neither box is checked, documents will be processed in both microfiche and paper copy.

"I hereby grant to the Educational Resources Information Center (ERIC) nonexclusive permission to reproduce this document as indicated above. Reproduction from the ERIC microfiche by persons other than ERIC employees and its system contractors requires permission from the copyright holder. Exception is made for non-profit reproduction of microfiche by libraries and other service agencies to satisfy information needs of educators in response to discrete inquiries."

SIGN HERE ➧

Signature: Shonali Sabherwal
Printed Name: SHONALI SABHERWAL
Organization: Marquette University
Position: STUDENT

Where to send complimentary microfiche-->
Address: 1131 W. Wisconsin Ave.
Milwaukee, WI
Zip Code: 53233
Tel. No.: 414-288-3451
Date: 26/8/94

III. DOCUMENT AVAILABILITY INFORMATION (Non-ERIC Source)

If permission to reproduce is not granted to ERIC, or, if you wish ERIC to cite the availability of the document from another source, please provide the following information regarding the availability of the document. (ERIC will not announce a document unless it is publicly available, and a dependable source can be specified. Contributors should also be aware that ERIC selection criteria are significantly more stringent for documents which cannot be made available through EDRS.)

Publisher/Distributor:
Address:
Price Per Copy:
Quantity Price:

IV. REFERRAL TO COPYRIGHT/REPRODUCTION RIGHTS HOLDER

If the right to grant reproduction release is held by someone other than the addressee, please provide the appropriate name and address:

EFF-53 (Rev. 4/86)

BEST COPY AVAILABLE

The Power of Humorous Context to Affect Perception of Commercials, Programs, and Products

Stephen D. Perry
University of Alabama
College of Communication

Stefan A. Jenzowsky
Free University of Berlin
Institut fuer Kommunikationssoziologie und -psychologie

Jeanne Gartenschlaeger, Joe Bob Hester
Cynthia King Jablonski, & Huiuk Yi
University of Alabama
College of Communication

Address correspondence to:
Stephen D. Perry
Communication Graduate Studies
University of Alabama
Box 870172
Tuscaloosa, AL 35487-0172
Internet: SPERRY3@UA1VM.UA.EDU
(205) 348-8604

Running Head: CONTEXT EFFECTS OF HUMOR

The Power of Humorous Context to Affect Perception of Commercials, Programs, and Products

Abstract

Levels of humor were manipulated in programs and commercials and ramifications for advertisers examined. Results support using higher levels of humor in the surrounding context and in the commercial to create increased product appeal. Recall is also improved by a more humorous commercial but reduced by more humorous context. Commercials are liked less as contextual humor increases, but the rating of programs improves as the level of humor in the commercials increases.

The situation comedy is the most popular genre of television programming, accounting for over 45 percent of the 100 highest rated television series of all time (Zillmann & Bryant, 1991). According to network and advertising agency estimates of prices for fall 1993 prime-time 30 second commercials, comedies are also among the most expensive programs in which to advertise. Eleven of the thirteen most costly programs are situation comedies, and prices for 30 second spots on these shows range from $200,000 to $325,000 (Mandese, 1993). Other program genres also feature humor including stand-up comedy, a common genre on some cable networks, and television talk shows. U.S. advertising executives tend to believe that the broadcast media are well suited for the use of humor (Madden & Weinberger, 1984), yet little is known about the effects of humorous programming on the commercials carried within the show.

Research has provided evidence of an interaction between a program and the commercials within that program (e.g., Schumann & Thorson, 1990). Arousal has been the focus of many context studies, with varying results (Singh & Churchill, 1987). Program arousal has been shown to positively affect viewers' evaluation of commercial pleasantness and effectiveness (Broach, Page, & Wilson, 1991; Mattes & Cantor, 1982).

Mundorf, Zillmann & Drew (1991) compared information acquisition from commercials following an emotionally disturbing news program with a control condition, and for a period of two and one-half minutes after exposure, information acquisition was significantly poorer following the disturbing news story. Pavelchak, Antil, and Munch (1988) investigated commercial recall for viewers of Super Bowl XX. They found no differences in recall between respondents in the home cities of the winning and losing teams, but respondents in a neutral city did have significantly higher recall scores.

Goldberg and Gorn (1987) examined the interaction between happy or sad television programs and emotional or informative commercials. Greater perceived commercial effectiveness and slightly better recall was found for viewers of the happy program compared to viewers of the sad program. Kamins, Marks, and Skinner (1991) also used happy and sad television programs to induce mood, and they investigated the effects of the induced mood on happy and sad commercials. Their findings tended to support a consistency effect (i.e., facilitation by hedonically compatible viewing context). For measures of liking the commercial and purchase intention, happy ads were viewed more favorably after exposure to a happy program and sad commercials were viewed more favorably after exposure to a sad program. Murry, Lastovicka, and Singh (1992) manipulated subjects' feelings with exposure to a positive, negative, or neutral emotion-eliciting program. They found that the viewers' liking of the programs had a positive influence on both attitude toward the ad and attitude toward the brand, while the viewers' feelings elicited by the programs had no effect.

Context Effects for Humor

Few topics in advertising have received as much attention, discussion, and debate as the impact of humor. Research has demonstrated a positive link between humor and attention to commercials (Madden & Weinberger, 1982) and a negative link between humor and recall of commercials (Lammers, Leibowitz, Seymour, & Hennessey, 1983) as well as gender differences. The findings that humor has opposite effects on attention and recall seems suspect, however, since attention is necessary for recall. (For a comprehensive review of the literature on the impact of humor in advertising, see Weinberger & Gulas, 1992.)

Little research has focused on humor as a mediating variable to explain the impact of programming on commercials. In a study of radio advertising, Cantor and Venus (1980) found no significant effects between humorous and non-humorous contexts for either recall or product evaluation. In his doctoral dissertation, Madden (cited in Wienberger & Gulas, 1992) found no effect of serious or humorous context in radio. Murphy, Cunningham, and Wilcox (1979) found limited context effects in television. For aided recall, humorous ads were more often recalled in a non-humorous context, but for unaided recall, no context effects were found.

In their comprehensive review of the marketing, education, communication, and psychology literature, Weinberger and Gulas (1992) argued that there is too little evidence to reach a conclusion for or against the context effects of humor, and they specifically called for more research in the area. The present investigation answers this call. Its purpose is to explore the effects of high-humor and low-humor contexts on high humor and low humor commercials and the products advertised.

Hypotheses

The following hypotheses are advanced:

H_1: The level of humor in the surrounding program will negatively influence recall, and will positively influence product appeal and purchase intention.

H_2: More humorous commercials result in greater product appeal, improved recall, and greater purchase intention than less humorous commercials.

H_3: Both product appeal and purchase intention will be affected by gender.

H_4: The more humorous the context in which a humorous commercial is placed, the more positively the commercial will be perceived.

H5: An increased level of humor in the commercials aired during a program will result in higher program appeal.

Method

Overview

Ninety-nine undergraduates, 66 females and 33 males, of a major university participated in this research project. All were enrolled in introductory communications courses and received class credit for their participation in the experiment. The participants were randomly assigned to four experimental conditions and were tested in eight combined gender sessions of up to 20 students each.

In each session, participants saw either (a) a high-humor stand-up comedy program or (b) a low-humor talk program. Each program was interrupted by four commercial breaks, each containing one commercial. Across each program condition, participants saw either (a) humorous unedited commercials or (b) the same commercials with punch lines removed. The commercials were new to participants, and featured unfamiliar products not available in the region of the country where the study was conducted. All unedited commercials included humor as part of the advertising strategy, utilizing short, joke-like stories to promote products. The removal of punch lines reduced the level of humor in each of the commercials.

After exposure, the participants rated the commercials, the program, and the product advertised on semantic differential scales. Additional tests for recall and purchase intention were included.

Procedure

All sessions of the experiment were conducted in mixed gender sessions. Each experimental condition was tested in two independent exposure sessions. All experimental sessions were conducted in the afternoons of two consecutive days between 4 p.m. and 8 p.m., and in no case were the two sessions of a condition conducted at the same time of day. Participants were supervised when entering and leaving the test site in order to prevent the exchange of information about testing procedures among participants. All participants gave prior written consent to participate in an experiment involving exposure to humorous TV items and questionnaire testing.

A male experimenter indicated that after the exposure to a humorous program the participants would be asked for evaluations of the program. Then participants were asked to make themselves comfortable and to watch the show as they would at home or in a movie theater. Participants giggled and laughed freely during exposure, which lasted about 40 minutes. Commercials interrupted the program at intervals of about eight minutes. The experimenters did not draw special attention to the commercials, avoiding mention of them until the end of the presentation.

After exposure, participants were given a six page questionnaire to complete. Included in the questionnaire were scales evaluating the program, product-brand and product-category unaided recall, aided recall, the advertised products, and the commercials.

Manipulation of Commercial Funniness

The four commercials featured different products and services: (a) British Telecom, (b) Schwarzkopf News Hairstyling, (c) Bank of Boston, and (d) John Smith Yorkshire Bitter (Beer). Both the commercials and the featured products/services were unknown and not available in the area where the study was conducted. To accomplish this, the commercials were partly taken from foreign television (British Telecom & John Smith Yorkshire Bitter from Great Britain, Schwarzkopf News Hairstyling from Germany but synchronized in English for the Cannes Commercial Film Festival, Bank of Boston from local television in Massachusetts).

The manipulation of commercials used in this study is similar to that employed by Lammers et al. (1983) in a study of humor in radio commercials. In that study, humorous quips by comedians were spliced out of the humorous version of an advertisement to create a serious version.

In this study, all commercials told a short, humorous story about the use of the product/service or the product/service itself. Each ended with a punch-line and then showed the product logo on the full screen. By removing this punch-line, a less humorous version of the same commercial spot was created. Whenever possible, only the video channel was removed during the punch-line sequence and then replaced by a repetition of material from the same commercial. Otherwise, both the audio and video of the punch-line section were carefully removed, while maintaining minimal differences in commercial length. All time differences were less than three seconds. Using this punch-line removal technique, a less funny version of each commercial was created. Each featured a still slightly humorous and still meaningful story, that appeared to be complete despite the manipulation.

The commercial featuring Schwarzkopf Hairstyling represents a typical example of this punch-line removal. In this commercial, a woman in a job interview situation was shown. Camera shots cut back and forth between her and the prospective employer. Each time the camera focused on her, her hairstyle changed, becoming more and more "radical" as the commercial progressed. Each time her hairstyle changed, the employer stressed that this was "a very conservative company," implying that her hairstyles would not project the right image. In the final shot of the woman, she ended up with a conservative hairstyle. The punch-line then came as the camera cut once more to the employer who, for the first time, had brightly colored spiked hair. He was shaking her hand and saying, "See you Monday, baby." The logo and announcers voice closed out the commercial. In the low-humor version, the final cut of the employer was removed.

Manipulation of Program Funniness

Two humorous television shows served as context program material. In the stand-up comedy show, *A&E's an Evening at the Improv*, the program segments featured comedians performing monologues consisting almost exclusively of humorous "one-liners" or jokes. These speeches contained minimally harsh language and a variety of humor types including self-disparaging and "other-disparaging" humor, physical humor, exaggerations, and sexual humor. This program served as the high-humor condition and featured more frequent jokes and stories that were more jocular than those in the low-humor condition.

Segments taken from *The Tonight Show with Jay Leno* served as the low-humor condition, which included two interviews and a comedian style speech by Leno. Humor was woven into the program with jokes and short stories the host told and from the interaction between the host and guests in the interviews. The humor included exaggerations, sexual humor, self-disparaging and "other-disparaging" humor, but was not typically of a crass or harsh nature.

Each program was shown only in part with segments taken from aired shows. The edited versions had similar length of between 35 and 45 minutes including the commercial breaks.

Measures

Immediately after exposure, respondents answered (a) a set of program evaluation scales and (b) a product/service brand and product/service category recall test for the products advertised during the program. After reinstatement of brand and product/service, respondents answered tests of (c) aided recall, (d) purchase intention, (e) product evaluation, and (f) the evaluation of the commercials for the four products advertised.

Program evaluation. Respondents answered the following questions about the television program they viewed: "Do you think the program was *interesting*?" "Do you think the program was *funny*?" and "Do you think the television program was a *good* television program?" All answers were given on an eleven-point scale, ranging from 0 (not at all interesting/funny/good) to 10 (extremely interesting/funny/good). Furthermore, the program was rated on unipolar scales for the characteristics amusing, likable, depressing, humorous, imaginative, dull, informative, and entertaining.

Recall test of brand and product/service category. Respondents were asked to list as many of the four advertised product/service categories and brands as they remembered. An example was given: "If you saw a commercial for Texaco gasoline, the product category is *gasoline* and the brand is *Texaco*". All answers that had at least one word in common with the correct brand name or that described a possible category of the product/service were given a score of one (1) while those that did not meet these criteria were scored as zero (0). The scores for both category and brand were then summed to create an overall category recall score and brand recall score ranging from zero to four.

The next four pages asked questions about specific commercials. Questions about aided recall, purchase intention, product evaluation, and commercial evaluation were asked for each commercial in the order of exposure.

Aided recall test. After the brand and product category were reinstated, the respondents were asked how well they then remembered the commercial. Scores on this variable were given on an eleven point scale ranging from 0 (not at all) to 10 (extremely well). A composite overall recall score was formed by averaging the scores on this variable across all four commercials.

Purchase intention. The next two questions were, "If this product/service was available in your area, would you use it?" and "If available, would you recommend this product/service to your family and/or friends?" Both questions were answered on an eleven point scale ranging from 0 (not at all likely) to 10 (extremely likely).

Product evaluation. Respondents were then asked to give their impressions of how much each product/service possessed the characteristics expensive, bad, satisfying, friendly, interesting, dependable, exiting, harmful, likable, and appealing. All characteristics were evaluated on an eleven point scale ranging from 0 (not at all) to 10 (extremely).

Commercial evaluation. Participants were also asked to give evaluations of how much each of the commercials possessed the characteristics amusing, helpful, depressing, funny, imaginative, dull, informative, entertaining. All were rated on an eleven point scale ranging from 0 (not at all) to 10 (extremely).

Results

Preliminary Treatment Checks

Initially, treatment materials were tested to confirm that the conditions designed to be more humorous were indeed more humorous. Responses to program funniness were analyzed by a one-tailed t-test. The stand-up comedy program was rated significantly more humorous [t (97) = 1.70, $p < .05$] ($M = 7.52$) than the alternative program ($M = 6.88$). Analysis of program dullness also confirmed that the chosen treatment programs were significantly different. *The Tonight Show with Jay Leno* was rated significantly more dull [t (97) = 2.13, $p < .05$] than the stand up comedy condition ($M = 1.52$ for stand-up comedy and $M = 2.49$ for *The Tonight Show*).

Additional treatment checks were performed by gender to help explain some of the later findings. Though means of program funniness and program dullness were in the right direction for females ($M = 7.62$ for stand-up comedy and $M = 7.25$ for the talk program on program funniness, and $M = 1.41$ for stand-up comedy and $M = 1.82$ for the talk program on program dullness) t-tests showed the difference was not significant. For males, however, program funniness approached significance, t (36) = 1.54, $p < .10$, with stand-up comedy being rated funnier ($M = 7.33$) than *The Tonight Show with Jay Leno* ($M = 6.40$). Males also rated program dullness significantly lower, t (36) = 2.13, $p < .05$, for the stand-up condition ($M = 3.45$) than for the talk comedy condition ($M = 1.72$).

Ratings of commercial funniness, averaged across all four commercials in each treatment condition, also confirmed that the commercials that contained punch lines were significantly funnier than the commercials from which punch lines had been deleted: by one-tailed t-test, $\underline{t}$ (96) = 1.81, $\underline{p} < .05$ ($\underline{M}$ = 4.85 for commercials with punch lines and $\underline{M}$ = 4.21 for those without punch lines). Commercial dullness was greater for the commercials from which a punch line had been deleted, $\underline{t}$ (95) = 2.6, $\underline{p} < .01$ ($\underline{M}$ = 2.67 for commercials with punch lines and $\underline{M}$ = 3.68 for commercials without punch lines).

Treatment Characteristics Analysis

Products. In order to determine correlations between characteristics of products or services, ratings on each scale were first averaged for each participant across all four commercials viewed. Factor analysis (principal components, orthogonal rotation) was then used to determine factors. Three factors emerged accounting for 76% of the variance. Exciting, friendly, interesting, likable, dependable, satisfying, and appealing loaded highly on the first factor, with all variables loading at .69 or above. The factor explained 54.1% of the variance. The ratings on these seven variables were averaged to obtain the variable "positive evaluation of product." Its interitem consistency was high: Cronbach's $\underline{\text{alpha}}$ = .93.

The second factor was comprised of the responses to two questions about the product , ". . . would you use it?" and ". . . would you recommend this product/service . . . ?" Responses to both of these questions loaded at .89 or above. The second factor explained 12.8% of the overall variance. The average of these ratings was called "purchase intention." Interitem consistency was high: Cronbach's $\underline{\text{alpha}}$ = .94.

The third factor was comprised of responses to the adjectives bad and harmful. Both of these variables loaded at .80 or higher and explained 9.1% of the variance. The variable ratings were averaged and termed "negative evaluation of product." The factor was retained for later analysis although the interitem consistency of the variables was marginal: Cronbach's alpha = .59.

Commercials. The characteristics of commercials were rated on eight scales that were again averaged across the four commercials viewed. The resulting ratings were then the subject of a factor analysis (principal components, orthogonal rotation). Two usable factors emerged explaining 70.3% of the variance. The first factor included the four variables entertaining, amusing, imaginative, and funny. All variables loaded at .88 or above explaining 54.7% of the variance. The average of the ratings from these four variables was termed "positive evaluation of commercial." Interitem consistency was high: Cronbach's alpha = .95.

The second factor contained the variables helpful and informative, both of which loaded at .88 or higher. This factor accounted for 15.6% of the variance. The ratings were combined and averaged to form the variable "information level of commercial." The interitem consistency was high: Cronbach's alpha = .87.

A third factor emerged with the factors depressing and dull loading highly. It was disregarded, however, due to a Cronbach's alpha of only .34 for the scale combination.

Program. Factor analysis (principal components, orthogonal rotation) was utilized to determine what variables loaded highly together from the eight program characteristics scales. The adjectives humorous, likable, amusing, entertaining, and imaginative were positively loaded with each other and negatively loaded with program dullness in the only usable factor to emerge from the analysis. This factor explained 57% of the variance with all factors loading at .85 or higher with the exception of imaginative (.77) and dull (-.77). The ratings of the five positively correlated variables and the inverse of the negatively correlated variable were averaged to obtain a composite measure of "program entertainment value." Interitem consistency was high: Cronbach's alpha = .92.

A second factor emerged loading highly on the variables depressing and informative. This factor was disregarded, however, due to a Cronbach's alpha of only .17 for the scale combinations.

Influence on Product Perception

Recall. The brand recall scores and product category recall scores were each analyzed using analysis of variance procedures for the three independent variables program condition, commercial condition, and gender of respondent. Brand recall was significantly better when commercials were aired during the low humor program, F (1, 90) = 4.79, p = .031 (for low humor program, M = 1.6; for high humor program, M = 1.16). A difference in the ability to recall brand names was almost significant, F (1, 90) = 3.07, p = .083, with low humor commercials (M = 1.21) not aiding recall as well as high humor commercials (M = 1.54). Product category recall, however, was not affected significantly by the context of the program, but was improved instead by a higher humor level in the commercials, F (1, 90) = 6.553, p = .012 (for low humor commercials, M = 2.38; for high humor commercials, M = 2.82). Gender was not a relevant factor.

Aided recall scores for how well respondents remembered the commercial were tested across the same independent variables used in the analysis of unaided recall . Once again a significant difference was found for commercial condition, F (1, 90) = 4.89, p = .030, with the low humor commercials (M = 6.19) not being recalled as well as high humor commercials (M = 6.91). A two-way interaction between the humor level of the program and gender of respondent was also significant, F (1,90) = 4.53, p = .036 as reported in Table 1. Simple main effects were found across program condition within male respondents with the low humor program resulting in better recall than the high humor program, F (1, 90) = 2.78, p < .10, and across gender within the low humor program with men recalling the commercials better than women, F (1, 90) = 2.78, p < .10.

Product evaluation. Each of the product factors derived from the factor analysis of product evaluation ratings were tested, using analysis of variance for the three independent variables. The factor "negative evaluation of the product" is reported first. Respondents were significantly more likely, F (1, 86) = 11.31, p = .001, to evaluate a product negatively depending on the interaction between respondent's gender and the program treatment condition (see Table 2). Simple main effects were found across program condition within males with products receiving a much more negative evaluation after the low humor program than after the high humor program, F (1, 86) = 12.09, p < .001. Another simple main effect for negative evaluation of the product was found across gender within the low humor program, F (1,86) = 11.14, p < .01. Products received higher negative evaluations from men than women. When means were compared across gender within the high humor program, on the other hand, evaluations of products approached being significantly more negative for women than for men, F (1,86) = 3.29, p < .10.

The "positive evaluation of product" factor was not significantly affected by the program context or gender of respondent. However, commercials with a low humor level (M = 4.49) approached a significantly lower positive evaluation of the product, F (1, 84) = 3.72, p = .057, than did commercials with a high humor level (M = 5.04).

A three-way interaction, significant at F (1, 90) = 8.23, p = .005, emerged from the ANOVA for the factor "purchase intention." The associated means are shown in Table 3. Simple main effects across commercial condition within males viewing the high humor program showed that low humor commercials created significantly lower ratings of purchase intention, F (1, 90) = 12.79, p < .001, than the high humor commercials. Simple main effects were also found across commercial condition within females viewing the low humor program. The less humorous commercials resulted in lower ratings of purchase intention than the more humorous commercials, F (1, 90) = 6.25, p < .05. A simple main effect across gender within the high humor program and high humor commercials shows significantly higher ratings of purchase intention from men then from women, F (1, 90) = 4.06, p < .05. The main effect across commercial condition was also significant, F (1, 90)

= 12.44, p < .001. Purchase intention was lower overall for the low humor commercials (M = 2.91) than for funnier commercials (M = 4.03).

Influence on Commercial Evaluations

The ANOVA for the dependent variable "positive evaluation of commercials," reported in Table 4, yielded a main effect for humor level of commercials. Low humor commercials were rated significantly lower (M = 4.63) on the positive scale than were high humor commercials (M = 5.36), F (1, 88) = 4.73, p = .032. A three-way interaction between program condition, commercial condition, and gender of respondent approached significance at F (1, 88) = 3.78, p = .055. Simple main effects across commercial condition within females viewing the low humor program gave a significantly lower positive evaluation of the low humor commercials than the high humor commercials, F (1, 88) = 4.82, p < .05. Simple main effects approached significance across program condition within males viewing the low humor commercials. Low humor programs resulted in higher positive evaluations of the commercials than high humor programs, F (1, 88) = 3.8, p < .10. Simple main effects also approached significance across commercial condition within males viewing the high humor program, F (1, 88) = 3.68, p < .10. Low humor commercials resulted in a lower positive evaluation of the commercial than did high humor commercials. A main effect for the "information level of commercials" factor was found to be significant for humor level of program, F (1, 89) = 5.48, p = .021. Commercials aired during the low humor program were rated to be more informative (M = 3.76) than commercials aired during the high humor program (M = 2.98).

Influence on Program Evaluation

An ANOVA was performed on each of four dependent variables involving program evaluation. The "program entertainment value" factor varied significantly, F (1, 88) = 4.528, p = .036, as a function of the humor level of the commercials shown during the program. Respondents rated programs more entertaining when the humor level of the commercials was high (for low humor commercials, M = 6.89; for high humor commercials, M = 7.65). Programs also approached being significantly more funny when high humor commercials were used, F (1, 90) = 3.57, p = .062, (for low humor, M = 6.83; for high humor, M = 7.58).

Programs were also rated significantly lower on the variables good, F (1, 90) = 8.52, p = .004, and interesting, F (1, 90) = 5.931, p = .017, when low humor commercials were included in the program (M = 6.04 for good and M = 6.50 for interesting), compared to programs interspersed with the high humor commercials (M = 7.30 for good and M = 7.42 for interesting).

Discussion

The results of the study confirm several of our hypotheses and fail to confirm others.

The first hypothesis was partially supported by the study. As a program's level of humor increased, the ability of viewers to recall brand names of advertised products decreased as did the level of aided recall of commercials for men. Commercials aired during more humorous programs apparently have trouble getting the attention of the viewer as easily as those aired during less humorous programs. Thus, humorous commercials seem to be more effective at producing recall when aired during programs that don't contain high levels of humor. Recall of product category, however, was not affected by the level of humor in the surrounding program. Recall of product categories may be much easier than brand names, enabling the viewer to overcome the distraction of the more humorous program enough to remember product categories but not enough to recall brand names. Since many advertisers are pitting their product against others in the same product category, recall of product category may not be advantageous to the advertiser. Thus, at least the more important area of brand recall was affected by the level of humor in the program.

The fact that increased aided recall ability was found only in men may be explained by the types of programs used. The difference in the level of comedy between the stand-up comedy and the late-night talk format was much more pronounced for men than for women as was seen by the treatment checks performed separately on male and female respondents. Therefore, the fact that men achieved higher aided recall after viewing the low-humor condition than after viewing the high-humor condition may still be the result of the perceived level of comedy in the program. The perceived level of humor, however, appears to be affected by gender.

The effect of level of humor in the surrounding program on purchase intention did not support the first hypothesis since no significant effects were found. The humor level of the program also had no overall effect on "positive evaluation of the product" as predicted. However, product appeal was affected by context for males with the low humor programs leading to greater negative evaluations than high humor programs, as hypothesized. Again, women may have responded differently because they perceived *The Tonight Show* as more humorous than did men. This would explain why men rated products more negatively than women after viewing the low humor condition. Women do not appear to have perceived the stand-up comedy as significantly less humorous than did men, however. Instead, the crass and sexual humor often used in the stand-up comedy condition may have been more offensive to women than men. This would help explain the different levels of negative evaluations of the products advertised during the high-humor condition.

The second hypothesis was supported. Respondents perceived products as something they were more likely to use and more likely to recommend to others, the variables in "purchase intention," after viewing the more humorous commercials. Products also were perceived more positively when they were shown in high humor commercials as opposed to the low humor commercials.

High humor commercials also aided in recall of product category and seemed to aid recall of brand more than low humor commercials. High humor commercials were also recalled better than low humor commercials for the aided recall test. All of these results provide support for our assertion that increased recall should result generally from higher humor levels in commercials as long as the humor is related to the commercial message.

Neither the evaluation of the product nor purchase intention were directly affected by gender as predicted in hypothesis three. Of more interest in this study, however, gender did play a part in purchase intention as a function of the stimulus material as discussed earlier. During a stand-up comedy program, men were much more likely to be inclined to use a product if the commercials were of the more humorous nature. During the more casual talk program, however, women were more likely to be inclined to use and recommend a product after viewing the more humorous commercials. Thus, the specific type of humorous program seems to be important in its effect on purchase intention according to gender. This does not seem to be a function solely of the level of humor but also may be explained by the types of humor used in each genre of program. This study, however, did not measure differences resulting from specific types of humor. Therefore, hypothesis three is not supported, but some interesting findings are connected with gender nevertheless.

The "positive evaluation of commercial" factor was used to examine the fourth hypothesis. No main effect on perception of commercial was found across program condition as was predicted. Thus, the hypothesis was not supported. Since men perceived a greater difference in the humor level of the programs, however, there is some evidence that the benefits of a low humor commercial are negatively affected by an increased level of humor in the surrounding context. If the level of humor in the commercial is much below that of the program the commercial actually seems to be rated less positively than when the level of humor in the program is lower, closer to the level of humor in the commercial. This is contrary to the hypothesis and indicates that as the level of humor in the program increases, at some point it might produces a negative effect on the evaluation of mildly humorous commercials aired within the program. Further study would be needed to clarify this point.

The fifth hypothesis was strongly supported by several tests. This is surprising perhaps since most researchers have been interested in effects of programs on commercials, results of interest to advertisers, and not in effects of commercials on programs, results of interest to programmers or station managers. Ratings of the programs' entertainment value, program funniness, how interesting, and how good the programs were were all rated higher when more humorous commercials were used than when less humorous commercials were used. This is strong support for the use of humorous commercials to boost program enjoyment levels and thereby, one would assume, program ratings.

Future Research

It seems that certain types of humor affect the genders differently. The stand-up comedy program is much less relational in nature and much more of a competition to see who can get the most laughs than is the talk format. It also tends to use more brutal forms of comedy and much more overt sexual humor than the talk format. These differences appear to affect men and women differently. More study should be done to determine precisely which elements in humor appeal to women and which appeal to men.

Future study of context effects on advertising could look at the context effects of different levels of tragedy or seriousness in programs. Also, different types of comedy such as the situation comedy should be studied. Types of commercials other than those that are humorous could be manipulated in similar studies to develop a broader understanding of the effects of context on the commercials. Also, the effect of commercials on the success of programs should be looked at. If syndicators or networks allow any paying commercial to be aired, what might that do to a program's ratings?

Conclusion

Results here indicate that programmers should be selective of the types of commercials they allow to air during specific programs in order to improve the programs' ratings. By being more selective up front about commercials, ratings may improve allowing programmers to charge more for advertising later on. This finding may also be significant for the local station that airs locally produced commercials. It may benefit the station to provide higher quality production facilities to local advertisers in order to maintain or improve ratings on programs with local availabilities.

Overall, the more humorous a commercial is, the greater the benefit from both a product standpoint and a programmer's standpoint. The more humorous a program is, however, the more dangerous it may be for advertisers to include their humorous commercials in the program since it seems the commercials must be funnier to be effective. Specific types of comedy programs may also be more appropriate for advertising to men or to women specifically because of the appeal of the types of humor used in the program.

Table 1

Aided Recall of Commercials by Program Condition and Gender of Respondent

Respondents' gender	Program condition	
	Low humor	High humor
Male	$7.29^{a/A}$	$6.17^{b/A}$
Female	$6.32^{a/B}$	$6.53^{a/A}$

Note. Ratings could range from zero to 10 (averaged across four commercials within the specified program condition). Lower-case superscripts describe comparisons across program condition (horizontal) within gender. Upper-case superscripts describe comparisons across gender (vertical) within program condition. Mean scores not sharing superscripts in the specified comparisons differ at $p < 0.10$ by F test.

Table 2

Negative Evaluation of the Product by Gender of Respondent and Program Condition

Program condition	Respondents' gender	
	Male	Female
Low humor	$3.42^{a/A}$	$2.18^{b/A}$
High humor	$1.96^{b/B}$	$2.65^{a/A}$

Note. Ratings could range from zero to 10 (average of two max 10 scores. averaged across four commercials within that condition). Lower-case superscripts describe comparisons across gender (horizontal) within humor condition. Upper case superscripts describe comparisons across humor condition (vertical) within gender. Mean scores not sharing upper-case superscript letters in the specified comparisons differ at $p < 0.001$ by F test. Mean scores not sharing lower-case supercript letters in the specified comparisons in the low humor condition differ at $p < 0.01$. Mean scores not sharing lower-case supercript letters in the specified comparisons in the high humor condition differ at $p < 0.10$ by F test.

Table 3

Purchase intentions by Program Condition, Commercial Condition and Gender of Respondent

Program condition	Respondents' gender	Commercial condition Low humor	 High humor
Low humor	Male	$3.44^{a/A}$	$3.60^{a/A}$
	Female	$2.71^{b/A}$	$4.28^{a/A}$
High humor	Male	$1.75^{b/A}$	$4.75^{a/A}$
	Female	$3.10^{a/A}$	$3.42^{a/B}$

Note. Ratings could range from zero to 10 (average of two max 10 scores, averaged across the four commercials within the specified program condition.) Lower-case superscripts describe comparisons across commercial condition (horizontal) within program condition and within respondent's gender. Upper-case superscripts describe comparisons across *only* respondent's gender (vertical) within commercial condition and within program condition. The upper-case letters do not signify differences across program condition (across the dotted line). No significant simple effects differences were found between program conditions. Mean scores not sharing supercript letters in the specified comparisons differ at $p < 0.05$ by F test.

Table 4

Positive Evaluation of Commercial by Commercial Condition, Program Condition and Gender of Respondent

Respondents' gender	Program condition	Commercial condition Low humor	 High humor
Male	Low Humor	$5.48^{a/\underline{A}}$	$4.81^{a/A}$
	High Humor	$3.79^{\underline{a}/\underline{B}}$	$5.32^{\underline{b}/A}$
Female	Low Humor	$4.55^{b/A}$	$5.83^{a/A}$
	High Humor	$4.43^{a/A}$	$5.26^{a/A}$

Note. Ratings could range from zero to 10 (average of 6 max 10 scores, averaged across the four commercials within the specified program condition.) Lower-case superscripts describe comparisons across commercial condition (horizontal) within respondent's gender and within program condition. Upper-case superscripts describe comparisons across *only* program condition (vertical) within commercial condition and within respondent's gender. The upper-case letters do *not* signify differences across respondent's gender (across the dotted line). No significant differences across respondent's gender were found. Mean scores not sharing underlined superscript letters in the specified comparisons differ at $p < 0.10$ by F test. Mean scores not sharing plain text superscript letters in the specified comparisons differ at $p < 0.05$ by F test.

References

Broach, V. C., Page, T. J., & Wilson, R. D. (1991). The context effect of emotional response to TV programs on emotional response to commercials. A cognition-arousal perspective. In R. Holman (Ed.), *Proceedings of the 1991 Conference of the American Academy of Advertising* (pp.88-90). New York: D'Arcy Masius, Benton & Bowles, Inc.

Cantor, J. R., & Venus, P. (1980). The effect of humor on recall of a radio advertisement. *Journal of Broadcasting*, *24*(1), 13-22.

Goldberg, M. E., & Gorn, G. J. (1987). Happy and sad TV programs: How they affect reactions to commercials. *Journal of Consumer Research*, *14*(3), 387-403.

Kamins, M. A., Marks, L. J., & Skinner, D. (1991). Television commercial evaluation in the context of program induced mood: Congruency versus consistency effects. *Journal of Advertising*, *20*(2), 1-14.

Lammers, H. B., Leibowitz, L., Seymour, G. E., & Hennessey, J. E. (1983). Humor and cognitive responses to advertising stimuli: A trace consolidation approach. *Journal of Business Research*, *11*, 173-185.

Madden, T. J., & Weinberger, M. G. (1982). The effects of humor on attention in magazine advertising. *Journal of Advertising*, *11*(3), 8-14.

Mandese, J. (1993, September 6). 'Home Improvement' wins $ race. *Advertising Age*, pp. 3, 26.

Mattes, J., & Cantor J. R. (1982). Enhancing responses to television advertisements via the transfer of residual arousal from prior programming. *Journal of Broadcasting*, *26*(2), 553-566.

Mundorf, N., Zillmann, D. & Drew, D. (1991) Effects of disturbing televised events on the acquisition of information from subsequently presented commercials. *Journal of Advertising*, *20*(1), 46-53.

Murphy, J. H., Cunningham, I. C., & Wilcox, G. (1979). The impact of program environment on recall of humorous television commercials. Journal of Advertising Research, 8(2), 17-21.

Murry, J. P., Lastovicka, J. L., & Singh, S. N. (1992). Feeling and liking responses to television programs: An examination of two explanations for media-context effects. Journal of Consumer Research, 18(4), 441-451.

Pavelchak, M. A., Antil, J. H., & Munch, J. M. (1988). The Super Bowl: An investigation into the relationship among program context, emotional experience, and ad recall.

Singh, S. N., & Churchill, G. A. (1987). Arousal and advertising effectiveness. Journal of Advertising, 16(1), 4-10.

Schumann, D. W., & Thorson, E. (1990). The influence of viewing context on commercial effectiveness: A selection-processing model. Current Issues and Research in Advertising, 12(1/2), 1-24.

Weinberger, M. G. & Gulas, C. S. (1992). The impact of humor in advertising: A review. Journal of Advertising, 21(4), 35-59.

Zillmann, D., & Bryant, J. (1991). Responding to comedy: The sense and nonsense in humor. In J. Bryant & D. Zillmann (Eds.), Responding to the screen: Reception and reaction processes (pp. 261-279). Hillsdale, NJ: Erlbaum.

U.S. DEPARTMENT OF EDUCATION

OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT (OERI)

EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

REPRODUCTION RELEASE (Specific Document)

Please return to:
ERIC/RCS
150 Smith Research Center
Bloomington, IN 47408-2698

I. DOCUMENT IDENTIFICATION

Title: The Power of Humorous Context to Affect Perception of Commercials, Programs, and Products.

Author(s): S.D. Perry, S.A. Jenzowski, J. Gartenschlaeger, J.B. Hester, C.K. Jablonski, & H. Yi

Corporate Source (if appropriate):

Publication Date:

II. REPRODUCTION RELEASE

In order to disseminate as widely as possible timely and significant materials of interest to the educational community, documents announced in the monthly abstract journal of the ERIC system, Resources in Education (RIE), are usually made available to users in microfiche and paper copy (or microfiche only) and sold through the ERIC Document Reproduction Service (EDRS). Credit is given to the source of each document, and, if reproduction release is granted, one of the following notices is affixed to the document.

If permission is granted to reproduce the identified document, please CHECK ONE of the options and sign the release below.

CHECK HERE ☒ Microfiche (4" x 6" film) and paper copy (8½" x 11") reproduction

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY
[PERSONAL NAME OR ORGANIZATION,
AS APPROPRIATE]
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

OR ☐ Microfiche (4" x 6" film) reproduction only

"PERMISSION TO REPRODUCE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY
[PERSONAL NAME OR ORGANIZATION,
AS APPROPRIATE]
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

Documents will be processed as indicated provided reproduction quality permits. If permission to reproduce is granted, but neither box is checked, documents will be processed in both microfiche and paper copy.

"I hereby grant to the Educational Resources Information Center (ERIC) nonexclusive permission to reproduce this document as indicated above. Reproduction from the ERIC microfiche by persons other than ERIC employees and its system contractors requires permission from the copyright holder. Exception is made for non-profit reproduction of microfiche by libraries and other service agencies to satisfy information needs of educators in response to discrete inquiries."

SIGN HERE

Signature: Stephen D. Perry
Printed Name: Stephen D Perry
Organization: University of Alabama
Position: Research Assistant

Where to send complimentary microfiche-->

Address: 4609 Longview Rd.
Tuscaloosa, AL
Zip Code: 35405
Tel. No.: 348-8604
Date: 8-3-94

III. DOCUMENT AVAILABILITY INFORMATION (Non-ERIC Source)

If permission to reproduce is not granted to ERIC, or, if you wish ERIC to cite the availability of the document from another source, please provide the following information regarding the availability of the document. (ERIC will not announce a document unless it is publicly available, and a dependable source can be specified. Contributors should also be aware that ERIC selection criteria are significantly more stringent for documents which cannot be made available through EDRS.)

Publisher/Distributor:
Address:
Price Per Copy:
Quantity Price:

IV. REFERRAL TO COPYRIGHT/REPRODUCTION RIGHTS HOLDER

If the right to grant reproduction release is held by someone other than the addressee, please provide the appropriate name and address:

EFF-53 (Rev 4 86)

GUIDELINES FOR COMPLETING THE REQUEST FOR REPRODUCTION RELEASE FORM

Under the present copyright law a reproduction release must be obtained for each document before it can be processed for the ERIC system. There are three options:

(Level I) Microfiche (4" x 6" film) and paper copy (8-1/2" x 11") reproduction

This option, which allows ERIC to make the document available on microfiche or in paper copy is most frequently chosen by authors. (77% of ERIC documents are entered as Level I.) This arrangement does not preclude later publication of the document or sale of a printed version by author or institution. However, if you have a limited supply of printed copies or if the document should go out of print, a copy of your document from which other copies can be made will always be available in ERIC.

(Level II) Microfiche (4" x 6" film) reproduction only

This option allows ERIC to make the document available throughout the system on microfiche only. It is most useful if you have a large supply of printed copies but would like to refer requestors to ERIC once your supply is exhausted. This arrangement does not preclude later publication of the document, or sale of the printed document by the author or institution. The ERIC copy of the paper serves an archival function. (13% of ERIC documents are entered in this way.)

(Level III) Document may not be reproduced by ERIC. (Complete Section III of the form.) The document will be cited with bibliographic information, an abstract, and availability information.

NOTE: It is recommended that materials be submitted at Level I or Level II to insure their future availability.

The Commercial Speech Doctrine in the '90s

Advertising Division
Teaching Research Session
1994 AEJMC Convention

Scott M. Armstrong
M.J. Candidate
Temple University

Abstract

The original commercial speech doctrine was established in 1942. It was not until 1976, however, that the U.S. Supreme Court extended First Amendment protection to commercial speech. Over the last two decades, the doctrine has been on a constitutional roller coaster ride -- a ride where the rules keep changing. This paper will examine the evolution of the doctrine from its inception in the '40s...to its apex in the '70s...to its downward spiral throughout the '80s...and finally, to its present-day construction.

Table of Contents

Introduction 1

From *Valentine* to *Posadas* 2

- *Valentine v. Chrestensen*
- *Bigelow v. Virginia*
- *Virginia State Board of Pharmacy v. Virginia Citizens Consumer Council, Inc.*
- *Ohralik v. Ohio State Bar Association*
- *Central Hudson Gas & Electric Corp. v. Public Service Commission of New York*
- *Metromedia, Inc. v. San Diego*
- *Zauderer v. Office of Disciplinary Counsel*
- *Posadas De Puerto Rico Associates v. Tourism Company of Puerto Rico*

The *Central Hudson* Test is Altered 5

- *Board of Trustees of the State University of New York v. Fox*

The *Fox* Standard is Applied in *Cincinnati* 7

- *Cincinnati v. Discovery Network, Inc.*

Lottery Advertising Laws are Put to "The Test" 9

- *U.S. v. Edge Broadcasting Co.*

Summary 11

References 14

The Commercial Speech Doctrine in the '90s

Introduction

Less than two decades ago, the Supreme Court first extended constitutional protection to purely commercial speech -- "speech which does no more than propose a commercial transaction." *Virginia State Board of Pharmacy v. Virginia Citizens Consumer Council, Inc.*, 425 U.S. 748, 762 (1976). Since then, commercial speech has ridden something of a constitutional roller coaster, with First Amendment analysis being applied inconsistently in Supreme Court decisions throughout the '80s.

Overall, First Amendment protection of commercial speech has fallen several notches since the landmark *Virginia Pharmacy* and *Central Hudson Gas & Electric Corp. v. Public Service Commission of New York*, 447 U.S. 557 (1980) decisions. In March, 1993, commercial speech seemed to reach a new height with the Court's decision in *Cincinnati v. Discovery Network, Inc.*, 113 S.Ct. 1505 (1993). Three months later, however, the doctrine began yet another descent with the Court's holding in *U.S. v. Edge Broadcasting Co.*, 113 S.Ct. 2696 (1993).

This paper will examine how recent Supreme Court cases have redefined the commercial speech doctrine. To understand where the doctrine is today, it is important to also investigate where it's been. This inquiry will begin, therefore, with a succinct summary of Court opinions in commercial speech cases. For the sake of brevity, this summary will be limited to the more noteworthy decisions by the Court. The discussion will then turn to *Board of Trustees of the State University of New York v. Fox*, 492 U.S. 469 (1989), *Cincinnati* and *Edge Broadcasting* to determine the breadth of First Amendment protection currently afforded to commercial speech.

From *Valentine* to *Posadas*

Valentine v. Chrestensen, 316 U.S. 52 (1942) -- This was the first commercial speech case to reach the Supreme Court, and it set a solid foundation for the original commercial speech doctrine. The Court's decision stated in no uncertain terms that commercial speech does not fall within the protective bounds of the First Amendment and, as a result, is subject to governmental regulation.

Bigelow v. Virginia, 421 U.S. 809 (1975) -- In a decision that delivered a powerful blow to the original commercial speech doctrine, the Court held that speech does not automatically lose its First Amendment protection merely because it appears in the form of a commercial advertisement. To decide the case, the Court used a balancing test in which the value of the speech was weighed against the validity of the state's regulation.

Virginia State Board of Pharmacy v. Virginia Citizens Consumer Council, Inc., 425 U.S. 748 (1976) -- This case marked the full height of commercial speech's constitutional status. Simply stated, it was the first time the Supreme Court extended First Amendment protection to purely commercial speech, holding that a state may not "completely suppress the dissemination of concededly truthful information about entirely lawful activity." *Virginia Pharmacy*, p. 773. In reaching its decision, the Court concluded that "the free flow of commercial information is indispensable" in that it serves the substantial First Amendment goal of "enlighten[ed] public decisionmaking." Id. at 765. The Court was careful to note, however, that commercial speech's new constitutional protection did not completely remove it from the realm of reasonable regulation.

Ohralik v. Ohio State Bar Association, 436 U.S. 447 (1978) -- This was the first in a series of Supreme Court opinions that gradually limited constitutional protection of commercial speech. Specifically, the Court stated that commercial speech is granted only "a limited measure of protection, commensurate with its subordinate position in the scale of First Amendment values," and is subject to "modes of regulation that might be impermissible in the realm of non-commercial expression." *Ohralik*, p. 456.

Central Hudson Gas & Electric Corp. v. Public Service Commission of New York, 447 U.S. 557 (1980) -- In this pivotal decision, the Court articulated the specific standards applicable when evaluating the constitutional validity of commercial speech regulations. The resulting four-part test was applied (albeit unevenly) in commercial speech cases throughout the '80s. To appreciate the significance of the *Fox* decision in 1989, it is helpful to consider the Court's exact language in *Central Hudson*:

> For commercial speech to come within [First Amendment protection], it at least must concern lawful activity and not be misleading. Next, we ask whether the asserted governmental interest is substantial. If both inquiries yield positive answers, we must determine whether the regulation directly advances the governmental interest asserted, and *whether it is not more extensive than is necessary to serve that interest*. (Emphasis added.) *Central Hudson*, p. 566.

In regard to the fourth prong of this test, the Court stated: "If the governmental interests could be served as well by a more limited restriction on commercial speech, the excessive restrictions cannot survive." Id. at 564. This is commonly referred to as the least restrictive means standard.

Metromedia, Inc. v. San Diego, 453 U.S. 490 (1981) -- This decision illustrates the Court's inconsistent application of the *Central Hudson* test in commercial speech cases. When considering the fourth prong of the test, the Court ignored the least restrictive means standard and, instead, deferred to the city's judgment that billboards create both aesthetic and traffic safety concerns: "...the most direct and perhaps the only effective approach to solving the problems [billboards] create is to prohibit them." *Metromedia*, p. 508.

Zauderer v. Office of Disciplinary Counsel, 471 U.S. 626 (1985) -- In direct contrast to *Metromedia*, this decision was reached via the least restrictive means standard. Since the commercial speech involved concerned a lawful activity and was not misleading, the Court held that the state must show its regulation directly advanced a substantial governmental interest and was the least restrictive means available to do so.

Posadas De Puerto Rico Associates v. Tourism Company of Puerto Rico, 478 U.S. 328 (1986) -- The constitutional status of commercial speech was questionable after the Court's incongruous decision in this case. While purportedly applying the *Central Hudson* test to the facts presented, the Court again glossed over the fourth prong of the test. Specifically, the Puerto Rican government was not required to show that its advertising ban was the least restrictive means available to achieve its desired end. As a result, a statute was upheld which prohibited commercial speech that was neither false nor misleading. The Court's reasoning is of interest: "In our view, the greater power to completely ban casino gambling necessarily includes the lesser power to ban advertising of casino gambling." *Posadas*, p. 345.

In contrast to *Virginia Pharmacy* a decade earlier, *Posadas* marked a low point in First Amendment protection of commercial speech. Application of the *Central Hudson* test -- particularly the fourth prong -- seemed to fluctuate from case to case. The stage was set for *Fox*.

The *Central Hudson* Test is Altered

In *Board of Trustees of the State University of New York v. Fox*, 492 U.S. 469 (1989), the Supreme Court revisited the *Central Hudson* test and essentially revised the fourth prong from "least restrictive means" to "a reasonable fit." This denoted the formal demise of least restrictive means analysis in commercial speech cases -- a demise which had actually begun eight years earlier in *Metromedia*. In many ways, this revision was merely a logical extension of the Court's decisions throughout the '80s in which commercial speech's protection steadily waned.

The facts of the *Fox* case are as follows: Todd Fox hosted a Tupperware party in his dorm room at the State University of New York at Cortland (SUNY). Campus police warned the company representative (Kathy Rapp) that she was violating a SUNY regulation which prohibited operation of private commercial enterprises on university property, and asked her to leave. Rapp refused, and was arrested for trespassing, soliciting without a permit and loitering.

Fox, Rapp and the company (American Future Systems, Inc.) filed a suit against SUNY on the grounds that the university regulation infringed upon their First Amendment rights of free speech. The District Court upheld the constitutional validity of the regulation. Fox appealed, and the Court of Appeals reversed the District Court's holding on the grounds that it was unclear 1) whether the regulation directly advanced SUNY's asserted interest, and 2) whether it was the least restrictive means available to serve that interest. Shortly thereafter, the U.S. Supreme Court granted a writ of certiorari and reversed the judgment of the Court of Appeals.

In reaching its decision, the Supreme Court addressed three key issues: 1) whether the case did indeed involve purely commercial speech, 2) whether the lower courts' interpretation of the *Central Hudson* test's fourth prong was accurate, and 3) whether the SUNY regulation was overbroad.

Applying the *Virginia Pharmacy* definition of commercial speech -- "speech which does no more than propose a commercial transaction" -- the Court determined this case did involve commercial speech. *Virginia Pharmacy*, p. 762.

The Court next addressed the lower courts' interpretation of the *Central Hudson* test and, in the process, altered the meaning of the fourth prong -- "whether [the regulation] is not more extensive than is necessary to serve [the governmental] interest." *Central Hudson*, p. 566. The least restrictive means standard was now to be officially replaced by a much more lenient reasonable fit standard. The Court's explanation was as follows:

> What our decisions require is a "fit" between the legislature's ends and the means chosen to accomplish those ends...a fit that is not necessarily perfect, but reasonable; that represents not necessarily the single best disposition but one whose scope is "in proportion to the interest served." *Fox*, p. 480.

Interestingly, the Court's review of its prior decisions highlighted the inconsistency with which it applied the fourth prong of the *Central Hudson* test throughout the '80s. Justice Blackmun made a similar observation in his dissent: "The majority holds that 'least-restrictive-means' analysis does not apply to commercial-speech cases, a holding it is able to reach only by recasting a good bit of contrary language in our past cases." *Fox*, p. 486.

Finally, the Court outlined the standards to be used in evaluating the overbreadth issue, then remanded the case to the District Court for a decision on this point.

The *Fox* Standard is Applied in *Cincinnati*

Four years after the *Fox* decision, the Supreme Court employed the revised *Central Hudson* test in *Cincinnati v. Discovery Network, Inc.*, 113 S.Ct. 1505 (1993). This case involved the constitutional validity of a Cincinnati ordinance that categorically banned the distribution of "commercial handbills" via newsracks located on public property. The commercial handbills targeted by the city were actually free magazines consisting primarily of promotional literature and advertising. The Court held that the city ordinance selectively prohibiting commercial speech newsracks violated the magazine publishers' First Amendment rights.

The Court based much of its decision on the reasonable fit standard articulated in *Fox*. Applying the *Central Hudson* test, the Court found there was nothing unlawful or misleading about the free magazines being distributed through the newsracks, and that Cincinnati's interest in sidewalk safety and the appearance of the city was substantial. Cincinnati had a burden, however, to establish a reasonable fit between its asserted interest and the method it chose to facilitate that interest. In the eyes of the Court, this is where the city failed.

The ordinance at issue in this case was enacted long before the city expressed a concern over newsracks. In addition, the ordinance's primary thrust dealt with controlling litter in the street. The city's application of this outdated ordinance to commercial publication newsracks was, therefore, an unreasonable stretch from the restriction's original aim.

Moreover, enforcement of the ordinance would result in the removal of only 62 newsracks out of a total of 1,500 to 2,000 newsracks located throughout the city. The Supreme Court agreed with the lower courts' assessment that the benefit to be gained by implementing the ordinance was "minute" and "paltry." *Cincinnati*, p. 1510. In sum, the city had not established a reasonable fit between its desired end and the means it adopted to attain that end.

The city argued that its ordinance was reasonable since the removal of even a few newsracks would directly advance its legitimate safety and aesthetic interests. The city's argument hinged on the assumption that commercial speech has "low value." The Court disagreed, stating: "the city's argument attaches more importance to the distinction between commercial and non-commercial speech than our cases warrant and seriously under-estimates the value of commercial speech." Id. at 1511. In addition, the Court pointed out that the 62 commercial speech newsracks targeted by the city's ordinance created no more of a safety and aesthetic concern than the 1,500 to 2,000 non-commercial speech newsracks in Cincinnati.

Finally, the city advanced the argument that its ordinance was a permissible time, place and manner restriction. To be constitutionally valid, however, such a restriction must be content neutral. Since the ordinance selectively banned only newsracks containing commercial literature, the Court held that it indeed was content based and thus not a valid time, place and manner restriction on protected speech.

Lottery Advertising Laws are Put to "The Test"

Just three months after the *Cincinnati* decision, the Court considered the validity of federal lottery legislation in *U.S. v. Edge Broadcasting Co.*, 113 S.Ct. 2696 (1993). The legislation in question prohibits lottery advertising in states that do not conduct lotteries, while allowing this type of advertising in states that do.

The case involved a radio station in North Carolina (a non-lottery state) that has over 90 percent of its listening audience in Virginia (a lottery state). Wishing to air Virginia state lottery commercials, the station's owner (Edge Broadcasting) claimed the federal statutes violated the First Amendment and Equal Protection Clause. While the lower courts found in favor of Edge, the Supreme Court reversed their judgements and ruled that the legislation was constitutionally valid.

Applying the revised *Central Hudson* test, the Court: 1) conceded that the commercials the station wished to broadcast were for a lawful activity (in Virginia, at least) and were not misleading, 2) agreed that the government had a substantial interest in supporting the policy of lottery states while, at the same time, not interfering with the policy of non-lottery states, and 3) found that the federal lottery laws directly advanced the government's asserted interest.

Application of the fourth prong of the test once again focused on "the 'fit' between the legislature's ends and the means chosen to accomplish those ends." *Edge Broadcasting*, p. 2704. The Court decided there indeed was a reasonable fit between the government's interest and the laws it enacted to serve that interest.

The Court thus upheld the constitutionality of the federal lottery legislation and, in the process, confirmed the applicability of the reasonable fit standard in commercial speech cases.

Summary

Virginia Pharmacy first brought commercial speech within the scope of the First Amendment. *Central Hudson* standardized the four-part test to be applied when analyzing the validity of governmental regulations. Commercial speech would never again enjoy this degree of constitutional protection.

A critical aspect of the *Central Hudson* test was the Court's interpretation of the fourth prong as a least restrictive means standard. Simply stated, this meant the government had the burden of showing that its regulation was no more extensive than necessary to serve its asserted interest. "If the governmental interests could be served as well by a more limited restriction on commercial speech, the excessive restrictions [could not] survive." *Central Hudson*, p. 564.

Throughout the '80s, application of the least restrictive means standard was somewhat sporadic. In *Zauderer*, for example, the Court required the state to demonstrate that its regulation advanced a significant governmental interest through the least restrictive method available. A year later in *Posadas*, however, the Court simply accepted the legislature's judgment that the regulation in question was an effective means to accomplish the government's desired end.

In its 1989 *Fox* decision, the Court attempted to once again standardize First Amendment analysis of commercial speech regulations by altering the *Central Hudson* test. Specifically, the Court revised its interpretation of the fourth prong from "least restrictive means" to "a reasonable fit." This was the most significant change to the commercial speech doctrine since the *Central Hudson* decision nine years earlier.

The Court's reasoning in *Fox* is of interest. Since time, place and manner restrictions on core political speech are not subject to least restrictive means analysis, governmental regulation of commercial speech should certainly not be either. *Fox*, pp. 477-78. In reaching this conclusion, the Court touched on commercial speech's "subordinate position in the scale of First Amendment values." Id. at 477, quoting *Ohralik*, p. 456.

The net effect of the *Fox* decision on the commercial speech doctrine is substantial. According to *Central Hudson*, the government has the burden of justifying the validity of its regulation. Using the least restrictive means standard, this burden is obviously a heavy one, as the government must demonstrate there are no less restrictive alternatives available to further its legitimate interest. Under the new *Fox* standard, however, the government need only show that its regulation is "reasonable" and "in proportion to the interest served." *Fox*, p. 480. With this significantly less stringent standard in place, therefore, it is now more likely than ever that governmental regulation of commercial speech will be upheld as constitutionally valid.

Although the *Fox* decision seems to have seriously undermined the commercial speech doctrine, the Court's application of the reasonable fit standard in *Cincinnati* actually resulted in a commercial speech victory. Of course, the same standard resulted in a loss for commercial speech just three months later in *Edge Broadcasting*.

The *Cincinnati* decision suggests that First Amendment protection of commercial speech may be on the rise. When the city based its "close fit" argument on the premise that "commercial speech has only a low value," the Court responded:

> We cannot agree. In our view, the city's argument attaches more importance to the distinction between commercial and noncommercial speech than our cases warrant and seriously underestimates the value of commercial speech. *Cincinnati*, p. 1511.

This is not to say that the constitutional status of commercial speech is also on the rise. Since the *Ohralik* decision in 1978, the Court has consistently maintained that commercial speech holds a "subordinate position in the scale of First Amendment values." *Ohralik*, p. 456. In its review of prior decisions, the *Cincinnati* Court reiterated this point: "...speech proposing a commercial transaction is entitled to lesser protection than other constitutionally guaranteed expression." *Cincinnati*, p. 1513.

The commercial speech doctrine is continually evolving. From the *Chrestensen* Court's refusal to grant constitutional protection to commercial speech...to the *Virginia Pharmacy* Court's decision to extend limited First Amendment protection to commercial speech...to the *Central Hudson* Court's articulation of the four-part test to be applied in commercial speech cases...to the *Fox* Court's replacement of the least restrictive means standard with the reasonable fit standard, commercial speech's constitutional roller coaster ride has been filled with a variety of unexpected dips and twists. And, based on the *Cincinnati* and *Edge Broadcasting* decisions, the ride's not over yet.

References

Supreme Court Opinions

U.S. v. Edge Broadcasting Co., 507 U.S. ___, 113 S.Ct. 2696 (1993).

Cincinnati v. Discovery Network, Inc., 507 U.S. ___, 113 S.Ct. 1505, 123 L.Ed.2d 99 (1993).

Board of Trustees of the State University of New York v. Fox, 492 U.S. 469, 109 S.Ct. 3028, 106 L.Ed.2d 388 (1989).

Posadas De Puerto Rico Associates v. Tourism Company of Puerto Rico, 478 U.S. 328, 106 S.Ct. 2968, 92 L.Ed.2d 266 (1986).

Zauderer v. Office of Disciplinary Counsel, 471 U.S. 626, 105 S.Ct. 2265, 85 L.Ed.2d 652 (1985).

Metromedia, Inc. v. San Diego, 453 U.S. 490, 101 S.Ct. 2882, 69 L.Ed.2d 800 (1981).

Central Hudson Gas & Electric Corp. v. Public Service Commission of New York, 447 U.S. 557, 100 S.Ct. 2343, 65 L.Ed.2d 341 (1980).

Ohralik v. Ohio State Bar Association, 436 U.S. 447, 98 S.Ct. 1912, 56 L.Ed.2d 444 (1978).

Virginia State Board of Pharmacy v. Virginia Citizens Consumer Council, Inc., 425 U.S. 748, 96 S.Ct. 1817, 48 L.Ed.2d 346 (1976).

Bigelow v. Virginia, 421 U.S. 809, 95 S.Ct. 2222, 44 L.Ed.2d 600 (1975).

Valentine v. Chrestensen, 316 U.S. 52, 62 S.Ct. 920, 86 L.Ed. 1262 (1942).

Journal/Law Review Articles

Colford, Steven W. "Big win for commercial speech." *Advertising Age*, 64 (March 29, 1993), p. 1.

Colford, Steven W. "High court hits commercial speech hard." *Advertising Age*, 64 (June 28, 1993), p. 1.

Fawal, A. David. "Salesmen in the Dorms: A Look at *Board of Trustees of the State University of New York v. Fox* and the New Twist in Commercial Speech Cases." *American Journal of Trial Advocacy*, 13 (Winter 1990), pp. 957-982.

Hovland, Roxanne and Ronald E. Taylor. "Recent Developments in Commercial Speech Doctrine." *Communications and the Law*, 12 (December 1990), pp. 3-14.

References (continued)

Locher, Todd J. "*Board of Trustees of the State University of New York v. Fox*: Cutting Back on Commercial Speech Standards." *Iowa Law Review*, 75 (July 1990), pp. 1335-1354.

Nutt, Mary B. "Trends in First Amendment Protection of Commercial Speech." *Vanderbilt Law Review*, 41 (January 1988), pp. 173-206.

Rownd, David. "Muting the Commercial Speech Doctrine: *Board of Trustees of the State University of New York v. Fox*." *Journal of Urban and Contemporary Law*, 38 (Summer 1990), pp. 275-285.

Text

Gillmor, Donald M., Jerome A. Barron, Todd F. Simon and Herbert A. Terry. *Mass Communication Law*. St. Paul, MN: West Publishing Company, 1990.

U.S. DEPARTMENT OF EDUCATION

OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT (OERI)

EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

Please return to:
ERIC/RCS
150 Smith Research Center
Bloomington, IN 47408-2698

REPRODUCTION RELEASE (Specific Document)

I. DOCUMENT IDENTIFICATION

Title: The Commercial Speech Doctrine in the '90s

Author(s): Scott M. Armstrong

Corporate Source (if appropriate):

Publication Date:
Presentation Date: 8/11/94

II. REPRODUCTION RELEASE

In order to disseminate as widely as possible timely and significant materials of interest to the educational community, documents announced in the monthly abstract journal of the ERIC system, Resources in Education (RIE), are usually made available to users in microfiche and paper copy (or microfiche only) and sold through the ERIC Document Reproduction Service (EDRS). Credit is given to the source of each document, and, if reproduction release is granted, one of the following notices is affixed to the document.

If permission is granted to reproduce the identified document, please CHECK ONE of the options and sign the release below.

CHECK HERE ➡ ☑ Microfiche (4" x 6" film) and paper copy (8½" x 11") reproduction

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY
[PERSONAL NAME OR ORGANIZATION, AS APPROPRIATE]
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

OR

☐ Microfiche (4" x 6" film) reproduction only

"PERMISSION TO REPRODUCE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY
[PERSONAL NAME OR ORGANIZATION, AS APPROPRIATE]
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

Documents will be processed as indicated provided reproduction quality permits. If permission to reproduce is granted, but neither box is checked, documents will be processed in both microfiche and paper copy.

"I hereby grant to the Educational Resources Information Center (ERIC) nonexclusive permission to reproduce this document as indicated above. Reproduction from the ERIC microfiche by persons other than ERIC employees and its system contractors requires permission from the copyright holder. Exception is made for non-profit reproduction of microfiche by libraries and other service agencies to satisfy information needs of educators in response to discrete inquiries."

SIGN HERE ➡

Signature: Scott M. Armstrong
Printed Name: Scott M. Armstrong
Organization: Temple University
Position: M.J. Candidate
Where to send complimentary microfiche-->
Address: P.O. Box 78
Skippack, PA
Zip Code: 19474
Tel. No.: (610) 584-6567
Date: August 31, 1994

III. DOCUMENT AVAILABILITY INFORMATION (Non-ERIC Source)

If permission to reproduce is not granted to ERIC, or, if you wish ERIC to cite the availability of the document from another source, please provide the following information regarding the availability of the document. (ERIC will not announce a document unless it is publicly available, and a dependable source can be specified. Contributors should also be aware that ERIC selection criteria are significantly more stringent for documents which cannot be made available through EDRS.)

Publisher/Distributor:
Address:
Price Per Copy:
Quantity Price:

IV. REFERRAL TO COPYRIGHT/REPRODUCTION RIGHTS HOLDER

If the right to grant reproduction release is held by someone other than the addressee, please provide the appropriate name and address:

EFF-53 (Rev 4/86)

GUIDELINES FOR COMPLETING THE REQUEST FOR REPRODUCTION RELEASE FORM

Under the present copyright law a reproduction release must be obtained for each document before it can be processed for the ERIC system. There are three options:

(Level I) Microfiche (4" x 6" film) and paper copy (8-1/2" x 11") reproduction

This option, which allows ERIC to make the document available on microfiche or in paper copy is most frequently chosen by authors. (77% of ERIC documents are entered as Level I.) This arrangement does not preclude later publication of the document or sale of a printed version by author or institution. However, if you have a limited supply of printed copies or if the document should go out of print, a copy of your document from which other copies can be made will always be available in ERIC.

(Level II) Microfiche (4" x 6" film) reproduction only

This option allows ERIC to make the document available throughout the system on microfiche only. It is most useful if you have a large supply of printed copies but would like to refer requestors to ERIC once your supply is exhausted. This arrangement does not preclude later publication of the document, or sale of the printed document by the author or institution. The ERIC copy of the paper serves an archival function. (13% of ERIC documents are entered in this way.)

(Level III) Document may not be reproduced by ERIC. (Complete Section III of the form.) The document will be cited with bibliographic information, an abstract, and availability information.

NOTE: It is recommended that materials be submitted at Level I or Level II to insure their future availability.

"He Kept Pressing Me For Details!": A Critical Cultural Analysis of Domestic Narratives in Post-World War II Pinup Advertising Calendars

Jana Frederick-Collins
The University of North Carolina at Chapel Hill
CB#3365 Howell Hall
Chapel Hill, NC 27599

Presented to the Commission on the Status of Women
at the Association for Education in Journalism and Mass Communication
Annual Conference in Atlanta, GA, August, 1994

Introduction

A major premise of a critical research approach connects cultural processes and forms with social relations such as class, gender, race, age, and personal experience and recognizes them as sites of struggle over social differences and power inequities.[1] This study is concerned with the broader question of whether American advertisements and promotional strategies participate in the reproduction of gender hierarchies. I examine a particular cultural form: post World War II pinup advertising calendars displaying artist-rendered hyper-sexualized images of women in the context of a domestic narrative and captioned with sexually-charged double entendre. I will argue that the narrative discourse of the calendars' images and captions are participants in a larger post-war 'back-to-the-home' effort that encouraged women to return to domestic work, freeing jobs for returning servicemen. The images achieved this role by serving to reposition women's social and economic roles and personal interests in the context of domestic labor and sexual relations. I argue these texts invite a reading that constitutes women in terms of adolescent-like sexual innocence, hyper-sexualized physique, and domestic narrative and that this reading participates in the broader context of a post World War II backlash against women in the workplace and against women's rights and roles in general as they were advanced by their home-front roles during the war.

The Advertising Calendar as Cultural Form and Promotional Genre

Decorative calendars proliferate today in retail outlets such as bookstores and greeting card shops. Prior to the 1960s, however, they were available only from advertisers as part of a promotional genre called specialty advertising--useful or decorative articles carrying the advertiser's name and advertising message to the target audience.

The 19th century evolution of color lithography, photography, and high-speed printing presses made it possible for the first time to reproduce color images quickly,

---

[1] Richard Johnson. (1986) What is Cultural Studies Anyway? In Social Text: Theory/Culture/Ideology 16:38-80 (Winter).

accurately, and inexpensively. Mass produced advertising calendars at first used classical art images and later art commissioned specifically for calendar companies. During the early decades of the 20th century, the advertising calendar made color images available to a growing middle class segment of society who prized them as decorative items for the home and workplace. Railroads, manufacturers, corporations, and retail businesses such as grocers, banks, insurance agencies, and hardware stores were among the first to distribute imprinted calendars to customers.

The primary objective of a specialty advertisement from the company sponsor's point of view is to keep the sponsor's name before the target audience in a pleasing way to build institutional or product image. The advertising calendar "works" through an association of goodwill. This "transfer" occurs firstly in the very personal process of gift-giving, a gesture intended to mold and cement relationships between people and create a favorable atmosphere in which business discussions can be held, and secondly in the emotions and values generated from the calendars images as they are associated with the calendar's sponsor.[2] Hence, this genre was early linked to economic agendas relating to product sales and profits through adding value to the product or brand name, building customer awareness, and cementing customer relationships.

The mass appeal of benign and non-controversial images such as children, animals, families, and landscapes and themes such as wholesomeness, patriotism, sentiment, nostalgia, humor dominated calendars distributed to a general audience. Coexisting with this traditional fare were calendars with images of women, often with sexual connotations based on the period's standards, and distributed to a more limited target audience confined to the male-dominated business world.

---

[2] George L. Herpel and Steve Slack. (1983) Specialty Advertising: New dimensions in Creative Marketing (Irving, TX: S.A.A. International).

As early as 1914 in a textbook titled Specialty Advertising: The New Way to Build Business, Henry Bunting noted the ability of a pinup type calendar to secure target audience attention:

> Can you avoid giving consideration to a letter, for instance, that drops on to your desk a beautiful three-color process blotter showing an artistic girl study?[3]

Bunting called the art calendar an "ambassador of business" and noted the combination of utility and the appeal of the image allowed the advertiser to "penetrate into the commercial and domestic privacy of even the most cold and unresponsive prospect or customer" by obtaining "preferred space" in the home or workplace. He also notes the "power of the calendar to mold opinion and feeling for an advertiser" but does not expand on the process regarding the 'girl study' strategy.

Textbooks of the post-World War II period cite men as the target audience for sexual images in advertisements. A 1956 advertising copy textbook suggests the "sexed-up type of picture" is useful only when directly connected with the advertised product and for men only because women do not like to read about or talk about sex, and the majority of men, while "notorious philanderers" who "relish the eye titillation afforded by a sexy illustration" like to look but not to read about sex.[4] A 1949 textbook notes the following:

> Adverting frequently uses the sex appeal to attract attention, even when the main selling appeal is along other lines. A pretty face, a bathing beauty, a pair of shapely legs, a seminude woman in a boudoir, or a pair of lovers embracing often wins attention. A towel in itself does not make a very alluring advertising illustration. Show a good-looking woman only partly hidden by one as she completes her shower and you add interest to an otherwise prosaic subject. [5]

---

[3] Henry S. Bunting (1914) Specialty Advertising: The New Way to Build Business (Chicago: The Novelty Press), p. 74.

[4] Merrill DeVoe (1956). Effective Advertising Copy (New York: Macmillan) p.187.

[5] Harry P. Bridge (1949) Practical Advertising: A comprehensive guide to the planning and preparation of modern advertising in all of its phases. (New York: Rinehart and Company, Inc). p.61.

Turn of the century precursors to the modern 'pinup'[6] calendar borrowed from the classical, allegorical, exotic, mythological, and rural art traditions to legitimize portrayals of women in various settings, poses, and stages of undress (Figures 1-4). The 'alluring' pin-up style was used in advertising as early as 1904 with a silk manufacturer's calendar portraying a woman in the classic 'femme fatale' stance (Figure 5).[7] The era of film influenced the Hollywood-style glamour images of the 1920s and 1930s (Figures 6 - 9).

During the 1940s the World War II mobilization of women into the workforce changed the nature of advertising to a "defense" orientation.[8] General advertising portrayed women as competent workers and encouraged them to take the heavy industry and agricultural tasks vacated by departing servicemen (Figure 10). Pinup images of women provided to servicemen by the government during World War II, however, maintained the Hollywood-style glamour and sexuality because of their quite different performative value in this context.[9]

Artist-rendered pinup illustrations were popularized during the 1940s and 1950s (Figures 11 and 12). Artists used live models, elaborate settings , and pastels to create realistic flesh tones and photographic realism. Artists used a popular artistic device known as the "artist's sketchpad, " an unfinished penciled image (see Figure 17 in the lower right of the calendar) that, by emphasizing the rendered nature of an artistic work-in-progress, served to legitimate both the completed artwork and more revealing stages of undress and physical characteristics of the model.

---

[6] The term 'pin-up' was coined during World War II to describe the photographed images of movie stars and models servicemen were encouraged to 'pin up' in their barracks. Officials thought the pin-ups would serve to keep moral high by reminding servicemen of their wives and sweethearts at home. Robert B. Westbrook (1990) I want a girl just like the girl that married Harry James: American Women and the Problems of Political Obligation in World War II. American Quarterly 42.4 (December).

[7] Mark Gabor (1972) The Pin-Up: A Modest History (New York: Bell). The calendar image was titled Meditation. The femme fatale stance is with upright body, head tilted back, arms raised, and lowered eyelids. The posture conveys a sense of power and control, yet abandonment and acquiescence, suggesting the erotic and the dangerous. Gabriel Weisberg (1977). Images of Women: Printmakers in France from 1830-1930 (Salt Lake City: Utah Museum of Fine Arts), p. 39.

[8] John Gasaway, "Putting on a Brave Face: American Advertising's Public Bravura and Private Concern During the Second World War." Paper presented at the American Academy of Advertising Annual Conference, San Antonio, Texas, April, 1992.

[9] see Westbrook.

The development and use of modern photography and introduction of Playboy magazine led to the contemporary era of more overtly explicit and often pornographic depictions of nude and semi-nude images (Figures 13 and 14).

A review of pinup styles from the origins of the genre to the present clarifies the unique styles of the post-World War II images that are the focus of this analysis (Figures 15-17). Their artist-rendered hyper-sexualized bodies, domestic narrative, and sexually suggestive double entendre signal a shift in the portrayal of women on these promotional pieces.

My focus for this analysis is three calendar images from the immediate post-war years 1949-1951. Two appear on ink blotters, rectangular 4x9 inch paperboards used in conjunction with fountain pens for lifting, or "blotting," extraneous ink deposits from newly-written text (Figures 15 and 16). One side of the pieces are solid blue for blotting; the reverse side is used as advertising space. Two-thirds of the space is imprinted with red letters on a white background and contains the 1949 calendar, the company name (Meletio Electrical Supply Company), address (Dallas, Texas), and product information. The remaining one-third is a "pinup" image showing an artist-rendered image of a woman juxtaposed against a black background. The third image for this analysis is from a spiral-bound 12-month calendar, a 1951 calendar sponsored by a Lakeland, New York, retail automotive garage, Val's Garage (Figure 17).

These images differ from pinup images on calendars before World War II.[10] In contrast to the glamorized portrayals of women in the 1920s and 1930s, these artist-rendered drawings hypersexualize the women's body parts with large, pointy breasts, tiny waists, and long, super shaped legs accentuated by extremely high-heeled shoes. They exaggerate their facial expressions and place the women in various domestic narratives such as ironing (Figure 15), sewing (Figure 16), and house-cleaning (Figure 17). The images are accompanied by double entendre captions incorporating sexual innuendo. In sum, the main themes converging in these cultural forms are sexuality and domesticity.

---

[10] Jana Frederick-Collins, "The Workingman's Constant Companion: The Pin-Up Advertising Calendar and Sexual Harassment in the Workplace." in the Proceedings of the 1993 Conference of the American Academy of Advertising, ed. Esther Thorson, pp. 106-114, April 1993.

I will argue these texts invite a reading that constitutes women in terms of adolescent-like sexual innocence, hypersexualized physique, and domestic narrative and that this reading participates in the broader context of a post World War II backlash against women in the workplace and against women's rights and roles in general as they were advanced by their home-front roles during the war.

In order to appreciate the performative value of these texts in the post War period, one needs to understand the "images" of women immediately preceding this period. Therefore, I begin in the next section with a discussion of women's images before and during World War II.

World War II and Shifting Images of Women

> Because men are siphoned into the war machine right when the productive demands on society are greatest, the conventional distinctions between "women's" work and "men's" work are put under great stress.[11]

During times of war throughout American history, women have assumed economic roles--roles traditionally ascribed to men--in efforts to sustain production of material needs for both the war and home fronts in the absence of a large percentage of the male workforce. This phenomena occurred on a vast scale during World War II. Between 1940 and 1944, the number of women employed outside the home increased 47 percent to over a record 19 million.[12] Significantly, 72.2 percent of this total increase of women in the workforce were married women.[13]

---

[11] Anderson, Wartime Women.

Efforts to mobilize women into the workforce to fill vacancies in manufacturing, transportation, agriculture, and other traditionally male roles included door-to-door registration drives and propaganda campaigns emphasizing patriotism and sense of duty as imperatives to women to sign up for jobs and training. Figure 10 exemplifies the promotional efforts of business and government to construct and image of women that reconciled traditional elements of feminine beauty (cosmetics, in this example) with new, attributes of strength and bravery required for the war effort. Notes Anderson: "In addition to patriotism...the availability of economic opportunities, a glamorization of war work, a stress on women's capacities for nontraditional work, and attempts to allay specific fears regarding women and industrial work characterized recruitment programs."[14] With passage of the Lanham Act, the government established federally subsidized child care centers in attempts to assist women in entering the workforce.

The influx of wives and mothers into the wartime workforce altered traditional family role divisions. The "temporary" nature of these wartime circumstances was emphasized in recruitment propaganda. However, a government survey of women in the workforce reported 75 percent said they planned to keep their jobs after the war. Yet within months after the end of the war, millions of women were fired from their jobs, government day-care services were closed, and employers were accusing women of incompetence and returning to pre-war hiring policies that discriminated against women.

Lower class women, minority women, and single women already comprised a large percentage of low-paying jobs in domestic and personal service (saleswomen, waitresses, maids). It was primarily married, middle class white women in the wartime workforce who were expected to return to their pre-war status at the close of World War II. Popular media from advice books to advertisements to comics warned them of the threat to their femininity and happiness posed by a life outside the domestic sphere of marriage and motherhood. Notes Faludi: "with the close of World War II, efforts by industry, government, and the media converged to force a female retreat."[15]

---

[12] William H. Chafe. (1972) The American Woman: Her Changing Social, economic, and Political Roles, 1920-1970. (New York), p. 190.

[13] Anderson, p. 4 "For the first time in history, married women outnumbered single women in the female work force."

[14] Anderson, p. 27.

A response to the postwar movement to reinscribe women's domestic and sexual roles was the evolution of a new definition of feminine:

> To be feminine, the American woman first and foremost did not work. If she did, that made her competitive with men, which made her hard and aggressive and almost surely doomed to loneliness. Instead she devotedly raised her family, supported her husband, kept her house spotless and efficient, got dinner ready on time, and remained attractive and optimistic; each hair was in place.[16]

Converging elements of the post-World War II back-to-the-home movement included technological advancements applied to household maintenance and the accompanying marketing strategies that glamorized domestic labor. Betty Friedan applied the label the "feminine mystique" to the post World War II glamorized version of the "true feminine fulfillment" experienced by the American housewife. Such a woman was "freed by science and labor-saving appliances from the drudgery, the dangers of child-birth and the illnesses of her grandmother" and was "healthy, beautiful, educated, concerned only about her husband, her children, her home."[17] She also notes that by the early 1960s women working outside the home felt guilty "about betraying their femininity, undermining their husbands' masculinity, and neglecting their children by daring to work for money at all, no matter how much it was needed."[18] Such was the context in which texts like Figures 15-17 emerged and in which male readers after the war consumed the images of women that they contained.

---

[15] Susan Faludi (1991) Backlash: The Undeclared War Against American Women (New York: Doubleday) p. 51.

[16] David Halberstan (1993) The Fifties (New York: Villard) p. 590.

[17] Betty Friedan (1963) The Feminine Mystique (New York: Bantam Doubleday Dell), p. 18.

[18] Friedan., p. 6.

Domestic and Sexual Narrative in the Post-World War II Texts

Common to each image in Figures 15 through 17 is a domestic narrative articulated respectively as ironing clothes, sewing clothes, and cleaning house. The women are performing, and yet not performing, their respective domestic chore. More accurately, they are poised as a prop in a domestic scene. They do not grip their tools (the iron, the scissors, and the dustmop, respectively) or position their bodies in a manner in conformance to their task. Instead Figure 15's ironing model's hand perches in a resting, unnatural manner on the iron, her posture is addressed defiantly toward the implied male reader (in response to the male gaze), and her head is canted in a inquisitive gesture. The head cant, raised eyebrows, and pouting lips are her narrative responses--feigned indignance--to the caption's double entendre: "He kept pressing me for details." The word pressing, an idiom for ironing clothing, connotes sexual relations and even force or coercion. The models clothing is overtly sexual. She is dressed in heart-trimmed transparent black bra and underpants, gartered stockings, and high-heeled shoes and appears to be ironing her own dress in preparation for wearing.

Similarly, the Figure 16 model is poised in a playful, teasing manner with her fabric instead of a representation of actual preparation to sew. The model's canted head, raised eyebrows, and inviting smile invite the reader to participate in her play, connoted by the caption's pun "I'm just trying it on for sighs." The pun utilizes a word-play homonym of 'size' (the task of measuring cloths to fit) and 'sighs' (associated with sexual play) to connote sexual relations. A pet dog perched on the fabric roll and holding a pincushion stares intensely at the model's body, focusing the reader's gaze back to her body as the main theme and locus of the image. Like Figure 15, she is dressed in underclothes, gartered stockings, and high heeled shoes. She appears to be nude above her waist, and her breasts are at the same time shielded and accentuated by the fabric.

The Figure 17 model is also positioned in a manner unnatural to her domestic task. She perches in high heels on a sofa and leans forward and away from the reader, emphasizing the outlines of her breasts and hips. She appears naked underneath her transparent maid's apron. Similar to the dog's stare in Figure 16, the intense stare of the man in the portrait she is dusting serves to focus the reader's gaze back to her body. Captioned "Grandfather always was a good looker," the word "looker" is construed as a pun on attractive appearance and the act of looking. The looking is toward her torso and not her face, connoting the sexual import.

Milky-white and pinkish flesh tones are a central element of these works. The post World War II race sensibility was decidedly a homogenous white. In his analysis of advertising history, Ewen notes "For women, a blonde, milk-fed image of beauty and purity was posed against the "dark" femininity of less godly cultures and social order."[19] In Figures 15 and 16, the juxtaposition of the narrative elements against a solid black background gives the images a spotlighted effect which appears to emanate externally from the left of the image and accentuates the model's skin tones as well as their forms.

These artist-drawn images are idealized representations of beauty based on the standards of the period and the horizons of expectations of the targeted audience--male customers of the calendars' sponsors. In contrast to contemporary standards of beauty that value extremely thin body lines, the post-war standards of beauty, constructed primarily from images of Hollywood movie stars, were more voluptuous and focused on fully contoured physiques, especially curvaceous legs and large, pointy breasts, and tiny waists. Two 1950s models of beauty as exemplified by movie stars of the period were 1) childlike and immature adolescent beauty (Debbie Reynolds, Sandra Dee, June Allyson) and 2) the voluptuous, earthy more sexual beauty (Ava Gardner and Dorothy Lamour).[20] The calendar images of this analysis appear in a sense to combine these two models, as the facial expressions, physical positioning, and accompanying captions invite a reading of naive sexual subordination in conjunction with the physical sexual maturity. The convergence of the sexuality in the models' physical representation, their narrative expression in response to the captioned double entendres, and the narrative of domestic labor serve to invite a construction of a gender hierarchy in which men maintain mastery and control of both the home and workplace. In other words, narratives in which the identifications of women with domestic labor and sex are "normalized" or made to appear to be such women's "natural" role result in men retaining a social identity and position of control.

---

[19] Stuart Ewen, Captains of Consciousness: Advertising and the Social Roots of the Consumer Culture (New York: McGraw-Hill, 1976) p. 212.

[20] Lois W. Banner. (1983) American Beauty (New York: Alfred A. Knopf).

Connotations of class in the images are broadly interpretable as middle class. Elements of the images signify that the models are not servants. Figure 15 appears to be ironing her own dress prior to putting it on as opposed to ironing one piece of many in service to another. Figure 16 is fitting herself in the fabric. Her demeanor invites an interpretation of sewing as a hobby and for enjoyment, not that she is a seamstress or assistant by trade or role or that she is sewing her own clothes out of necessity. The denotation of the portrait image as "grandfather" signals that Figure 17's model is not a maid, positioning her as a member of the family inhabiting the house she is cleaning, and thus ruling out the possibility that she is an employed housekeeper.

The significance of the middle-class representation of women in these texts is that, as mentioned above, middle-class married women comprised 72.2 percent of the total increase of women in the workforce during the war. The government called upon these women to step outside their roles as "non-working" (outside the home) housewives and mothers to fill in for the departing servicemen. At the conclusion of the war, returning servicemen expected life to return to pre-war conditions. Therefore, middle-class married women were the women that were expected to quit their jobs and return to their domestic domains. Hence, these texts within this context serve to support this economic agenda by re-placing them narratively in the realm of domestic chores, re-presenting their interests as domestic and sexual, and thus stripping the women of interests or competence outside the home and intelligence within it. In other words, the texts de-value women, thus participating in the larger economic agenda of forcing women from the post-war workplace into which they had been recruited for purposes of war. The images in the texts may not have been intended to explicitly remind men of their wives. However, the implicit message of women's interests and roles participate in the construction of an ideology about women.

The Rhetorical Significance of the Pinup Calendars

The performative significance of the texts' content relates to their participation in a shift in public re-presentations of middle-class women after World War II.[21] They achieve this by depicting women in domestic/sexual narratives (as described above) that negate the women's subjectivity and capabilities while highlighting their (intellectual, sexual, and economic) vulnerabilities. Thus the exchange and display of texts such as these in the workplace served to re-position women's identities and reinscribe male privilege and identity in the workplace.

The new ideological agenda for women prescribed by the calendar images was not directed at women, but at the male customers of the calendar's sponsors. Women did not need to see these images to feel their effects as they directed the attitudes and expectations of men toward women. In a sense, the texts contributed to the construction of the "feminine mystique" described by Friedan by building a certain kind of consciousness about women in the minds of fathers, husbands, and male friends.

Display of the pinup calendar in the workplace also may have functioned in response to the threat of female encroachment engendered by the wartime labor needs.

---

[21] A secondary performative moment of the calendars occurred in the workplace. For example, a retail businessman such as the owner of Val's Garage might have given a preferred customer his sponsored calendar when the customer visited his business. Or a salesman from a wholesale company such as Meletio Electrical Supply Company might have delivered his sponsored calendar to his customer at his own location. The performative significance in once sense occurred in the act of giving and its locus in the workplace which served to secure social bonds and reinforce the masculine nature of the workplace.

The calendars performed the cultural reinforcement by confirming their readers in their ideological positions and reassuring them as to their membership in a collective cultural body.[22] They acted as a catalyst for male bonding and the constitution of a masculine "separate world" by circumscribing the limits of women's roles and interests, repositioning their interests away from the workplace and away from serious matters and toward a focus on their sexuality, child-like naiveté, and domestic labor role, defusing threats to masculinity and to their material conditions of workplace dominance.

In this essay, I have attempted to show that a closer reading of these texts sustains an argument that they were participants in a larger post World War II effort to reposition women's social and economic roles and personal interests in the context of domestic labor and sexual relations. I have argued that the idealized images of beauty, sexuality, and domestic purpose inscribed upon women by these promotional calendars served the purpose of developing an interpretive community of male workers who could readily position women outside workplace roles and capabilities, thus securing the workplace for themselves and circumscribing the limits of women's roles. This created a new "domestic/sexual" role image that was impossible for most women to achieve. Thus, women were not only discouraged from the workplace, but also now faced and ideal that they were always doomed to fall short of attaining.

Gendered Spaces. The consumption of pinup advertising calendars raise questions of the sort of "spaces" the calendars create when displayed in the public places such as a workplace or in private places such as a home. Do they demarcate a certain sort of space - a male space - and how is that demarcation read by those who enter the space?

The use of pinup calendars to create masculine spaces is evident by their display locations. In interviews with auto technicians, they report displaying their pinup advertising calendars in their garages, workshops, and bathrooms at home and in their personal work spaces (for example, fastened to the sides of their tool boxes) at work.

---

[22] Robert Scholes. (1989) Protocols of Reading (New Haven: Yale University Press, 1989) p. 121.

One 63 year-old former small businessman recalls the calendar images of the style of Figures x1-3 as the "Marilyn Monroe look" of the 1950s. "Sure, I used to see them above the tool boxes and in the mechanics' work areas of my Dad's and others' auto repair garages." When asked whether women saw them too, he responded that women never saw the pinup calendars: "in those days women *never* entered the work area of a garage." This reminded him that the more revealing pinup calendars he called "nudies" were often in another male-only space in businesses--the men's restroom.[23]

'September Morn,' a 1913 calendar art reproduction of French artist Paul Chabas' oil painting, is one of the first nude pinup advertising calendars.[24] The soft, impressionistic image of a nude woman bathing in the shallow of a lake was pirated and imprinted on a variety of specialty items. 'September Morn' advertising calendars "hung in barbershops and pool halls galore,"[25] two more examples of the distinctly male places in which pinup advertising calendars were displayed.

Displaying pin-up ad calendars in communal and personal work spaces has been customary in traditionally male-dominated workplace environments. However, the composition of the labor force is changing rapidly. By the year 2000, women are expected to represent 42 percent of new entrants into the labor market.[26] In 1991, 50 percent of entry-level management candidates were women.[27]

---

[23] In recent interviews with a number of women, they recalled seeing as children these 'forbidden' images in male only spaces. One woman recalled seeing pinups when being the only female allowed in her grandfather's work garage because she was 'just a kid.' Another woman recalled secretly with her neighbor friend entering the friend's father's private work room in the basement and seeing many pinup images posted on the walls. Both women said they hadn't thought of these experiences in years, and yet they remembered them vividly.

[24] Charles Martignette, (1989). "American Pin-Up, Calendar, and Glamour Art," Antiques & Collecting Hobbies. (November), p. 44.

[25] X.J. Kennedy (19913) "The Man Who Hitched the Reindeer To Santa Clauss's Sleigh" New York Times Book Review Section, December 5, p.11.

[26] Bruce Nussbaum (1988), "Needed: Human Capital," Business Week (September 19), 102.

[27] Business Week (1992), June 8, 74-83.

Women now hold 8.6 percent of blue collar jobs,[28] the most typical environment in which pin-ups are displayed. Questions arise about how the once sanctioned practice of promoting companies using pin-ups is faring in a contemporary business environment characterized by increasing numbers of women in executive and blue collar jobs and a growing awareness of gender roles and sexual intimidation in the workplace environment.

The display of advertising calendars and posters with sexual images and themes has come under fire in several recent sexual harassment lawsuits.[29] Plaintiffs charge that the images violate federal law barring sexual harassment in the workplace by creating an intimidating atmosphere or hostile environment. Perhaps in response to changing legal and social climates toward sexual harassment in the workplace, some companies are portraying their models in dress, pose, and manner that are less sexually provocative than in the past.[30]

Coping Strategies. In addition to demarcating a male space, the calendars may act as a kind of coping strategy to deal with the encroachment by female workers into a once male-dominated workplace. As masculinity was linked to providing for the family and bringing home the pay packet, working women -- both coworkers and spouses-- in a sense threatened male identity. Coping strategies are defensive measures designed to protect the self and consist of "any thought or action which succeeds in eliminating or ameliorating threat...whether it is consciously recognized as intentional or not."[31] One coping strategy is "the movement of the (threatening) individual into a new social position which is less threatening."[32] Images such as those in Figures 15-17 that highlight sexual and domestic roles of women serve to reestablish the role of the male workplace and reinforce its masculinity while subordinating the woman's role to the service of domestic and sexual needs.

---

[28] Susan Tifft and Paul Van Osdol (1991),"A Setback for Pinups at Work," Time, (February 4), 61.

[29] Wall Street Journal (1992), "Pinup Case splits Free-Speech Activists," Eastern Ed. (April 29), B12.

[30] Frederick-Collins, 1993.

[31] Glynis M. Breakwell (1986) Coping with Threatened Identities (London: Methuen) p79.

[32] Breakwell.

Fantasy is another coping strategy for blocking a threat to identity. "Fantasy has the power to wish the threat away and replace it with a more acceptable form of reality."[33] Again, the calendar images offered the less threatening image for fantasizing sexual and domestic service roles of women.

Display of the pinup calendar in the workplace functioned in response to the threat of female encroachment engendered by the wartime labor needs. The calendars performed the cultural reinforcement by confirming their readers in their ideological positions and reassuring them as to their membership in a collective cultural body.[34] They acted as a catalyst for male bonding and the constitution of a masculine "separate world" by circumscribing the limits of women's roles and interests, repositioning their interests away from the workplace and away from serious matters and toward a focus on their sexuality, child-like naiveté, and domestic labor role, defusing threats to masculinity and to their material conditions of workplace dominance.

In her analysis of narrative patterns in 1980s films about mobility and success, Traube argues demonized representations of women embodied a fantasized threat of female power that was a part of "an ongoing ideological project of remasculinization" during the Reagan era.[35] In her study of post Vietnam era remasculinization in films Jeffords notes the "groundwork for regenerating masculinity is the mythos of masculine bonding"[36] and the attached need to create a "separate world" that entirely excludes women from a totally masculine experience--the war experience. Similarly, during the 1950s, one threatened masculine arena was the workplace. The sexualized domestic images of women may have functioned in response to the threat, acting as a catalyst for male bonding and the constitution of a masculine "separate world."

---

[33] Breakwell, p. 88.

[34] Robert Scholes, Protocols of Reading (New Haven: Yale University Press, 1989) p. 121.

[35] Elizabeth Traube (1992) Transforming Heroes: Hollywood and the Demonization of Women. In Dreaming Identities: Class, Gender, and Generation in 1980s Hollywood Movies (pub?) p. 98.

[36] Susan Jeffords, The Remasculinization of America: Gender and the Vietnam War (Bloomington, Ind.: Indiana University Press, 1989) p. 169.

The appearance of calendar images such as those in Figures 15-17 can be evaluated as a response to a 1950s "crisis of masculinity" brought about by a number of converging factors. Bureaucratic control emerged during the period, institutionalizing hierarchical control, routinizing the functions of management,[37] and threatening individuality and bringing into question "the very manhood of the Organization Man."[38] The increasing numbers of women entering the workforce also contributed to the masculinity crisis, resulting in a sort of "backlash" against women that re-defined femininity and women's roles.

Susan Faludi has noted that the history of women's gains in equal rights is wrought with accompanying losses or 'backlashes' accompanied each time by a "crisis of masculinity.[39] One of the periods of backlash was the "back-to-the-home movement" of the post World War II decade was such a period:

> Whenever this spiral has swung closer to equality, women have believed their journey to be drawing to a close. ...at the close of world War II, a female steelworker declared in a government survey, ' The old theory that a woman's place is in the home no longer exists. Those days are gone forever.[40]

Yet the gains of the period facilitated the backlash. Faludi notes: "It was the reality of the nine-to-five working woman that heightened cultural fantasies of the compliant homebody and playmate."[41] Literary scholars Sandra M. Gilbert and Susan Gubar observe of the postwar era, "Just as more and more women were getting paid for using their brains, more and more men represented them in novels, plays, and poems as nothing but bodies."[42]

---

[37] Edwards (1979) Contested Terrain. In The Transformation of the Workplace in The Twentieth Century p. 131

[38] Traube

19 Faludi, 42.

[40] Faludi, p. 47.

[41] Faludi, p. 53.

Discussion and Conclusions

American mores are rooted in religious values from the 17th century Puritan origins of the nation. Hence, sexuality is acceptable for the private spaces of our lives, but provocative when it inhabits public spaces. For example, contemporary debates about AIDS prevention and multiculturalism that bring sexuality into the classroom in a conscious way are examples of controversy when human sexuality encroaches on shared public space. American society's democratic values assure individual rights to express, within certain constraints toward the obscene, sexuality and sexual images in the fine arts, popular culture, and mass media. Societal definitions of what constitutes pornography versus art, the perverse versus the erotic, emerge as contested terrain when clashing private mores inhabit public spaces.

Advertisements by their very role as a vehicle to promote products constitute public spaces. Pinup advertising calendars outside societal standards of acceptability regarding displays of human sexuality in public spaces constitute an intersection of the public (sponsored for commercial dialogue) and the private (not meant for display outside a certain limited area) spaces. This study falls within this pragmatic framework in that I have considered commercial images in public, sponsored space, not private images such as pornography or editorial content such as Playboy.

The images of commercial art and photography are commonplace, indeed inescapable appointments decorating our day to day existence. Americans have grown so accustomed to the broad range of tastes, styles, and executions of commercial images that we are not easily shocked or surprised or affected by them. Like the fine arts, contemporary advertising expresses and reflects our cultural values, and so we learn not only about products, but about ourselves, our various social roles, and how to express ourselves to our society. Advertisements are a common public space from which we glean information about fashion, events, and social norms in order to construct our social selves.

---

[42] Faludi, p. 497.

In 1985, I was a manager at a new car automobile dealership in North Carolina. One day I entered the parts department for a consultation with the manager. As the door closed behind me I turned and without warning came face to face with a very large "pinup" type advertising calendar sponsored by a tool company and displaying a bikini-clad, buxom woman whose exaggerated body positioning and seductive gaze infused the image with clear, culturally-coded sexuality. I felt my face flush with anger and shame as the ground holding me on an equal level with my fellow manager shifted beneath my feet.

Sexualized images of the human body are pervasive in contemporary mass media advertising, television programming, films, and general interest magazines. So why did this advertising calendar image affect me so profoundly that nine years later I still remember the experience and still feel the embarrassment?

Inappropriately, the image opened up a dialogue between the parts manager and myself about women's bodies--my body--and sexuality--my sexuality--at my place of work. In addition to opening this rhetorical space, the image defined a standard of beauty and a role by which to judge women, leaving me not only physically substandard, but professionally out of place in my role as a coworker. My perception of my work environment, role, and self-esteem were usurped in that instant. As a female manager preparing to confront a male coworker the effect was disarming as I reinterpreted the relationship between us from coworkers to dominant male predator and female sexual prey. In sum, the image reproduced a workplace gender hierarchy.

Contemporary pin-up advertising calendars are expanding their role as a promotional medium for advertising, fundraising, and public relations. For example, calendars showing photographed images of scantily-dressed women interacting with firefighters and law enforcement officers in provocative and occasionally violent real-life settings are used by some volunteer fire companies and police agencies as a fundraising device.[43] The government of Poland recently used a pin-up calendar for a public relations promotion.[44] Snap-On Tools Company each year gives calendars to customers such as automotive parts and repair store personnel. The calendars show photographed images of women posing with the company's products (automotive repair tools, toolboxes) in various dress and settings. Female models are more often portrayed as sexually clad, partially clad or nude in advertisements than male models.[45] However, pin-ups of men for the women's market are gaining popularity. One major calendar company reports its male pin-up calendar as its fastest-growing calendar.[46]

The argument of whether advertisements distort or reflect social reality is ongoing. The pinup images characterized by a domestic labor narrative were not, and still are not extraordinary considering that women did and still do perform the majority of work in the home. But their appearance during the post-war era with hyper-sexualized portrayals at a time when women were being encouraged to return from wartime jobs to their roles as housewives suggests the calendars participated in a larger economic and social agenda to circumscribe the limits of women's roles and interests in the context of domestic labor and sexual relations. Research approaches operate in both directions, asking both why a cultural object took the form that it did and what it says about the nature of the society from which it comes.[47] It is from the dialectical interaction of both approaches that an understanding of the struggle for meaning emerges.[48]

---

[43] Popular Photography (1990), "Flaming Fantasies," (January), 12.

[44] Newsweek (1983), "Poland: Pinups for Profit," (January 10), 34.

[45] Lawrence Soley and Gary Kurzbard (1986), "Sex in Advertising: A Comparison of 1964 and 1984 Magazine Advertisements," Journal of Advertising 15.3, 46-54 .

[46] Anne Leyland (1990), "The Fine Art of Marking Time and Making Money," The Counselor (July), 162.

[47] Griswold, p. 9

[48] Traube, p. 99

APPENDIX

(Please Note: At AEJMC I presented color slides of these calendar images.)

GENERAL MERCHANDISE
Salisbury, Penna.
Cash paid for Butter and Eggs

BEST COPY AVAILABLE

FIGURE

SPRINGTIME

Every day on this calendar is a good day to save money if you buy from

EVERYTHING ....FOR LESS **Cohen's** SOMERSET & MEYERSDALE, PA. **HEAD TO FOOT OUTFITTERS..**

Everything to Wear for Everybody

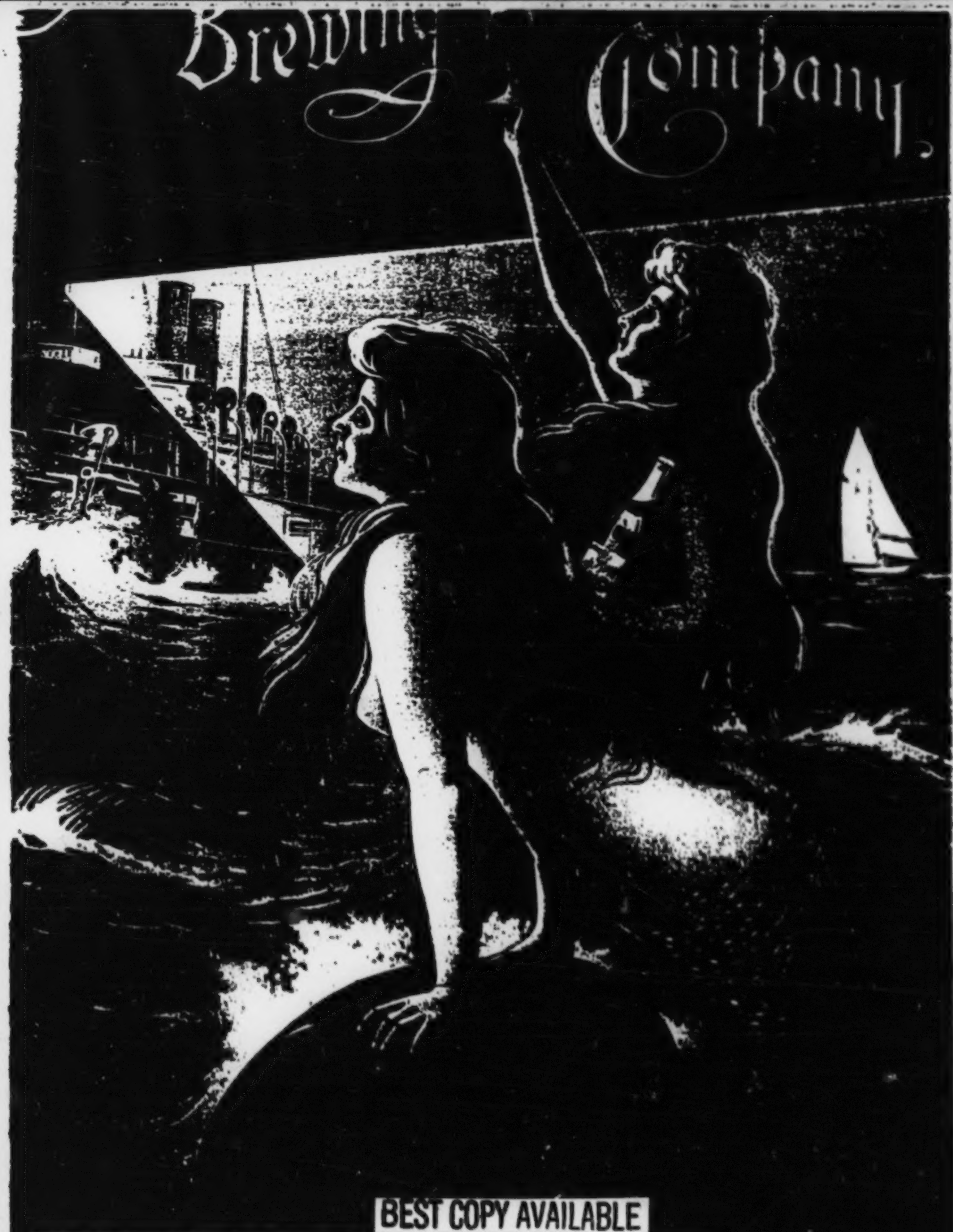
SOMERSET COUNTY'S LOWEST PRICE STORES

1909 ~JULY~ 1909

SUN.	MON.	TUE.	WED.	THU.	FRI.	SAT.
Full Moon 3rd	Last Quarter 10th	New Moon 17th	First Quarter 25th	1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	[illegible]
18	19	20	21	[illegible]	27	28
29	30	31	Full Moon 1st 31st	Last Quarter 8th	New Moon 15th	First Quarter 23rd

BEST COPY AVAILABLE

Figure 2


Brewing Company.

BEST COPY AVAILABLE

Figure 3.

F-3. *A Princess of Egypt*. 1926. Exotic theme, starry night, translucent gown, low neckline, and contoured breasts combine to make a languorous calendar pin-up. Brown & Bigelow.

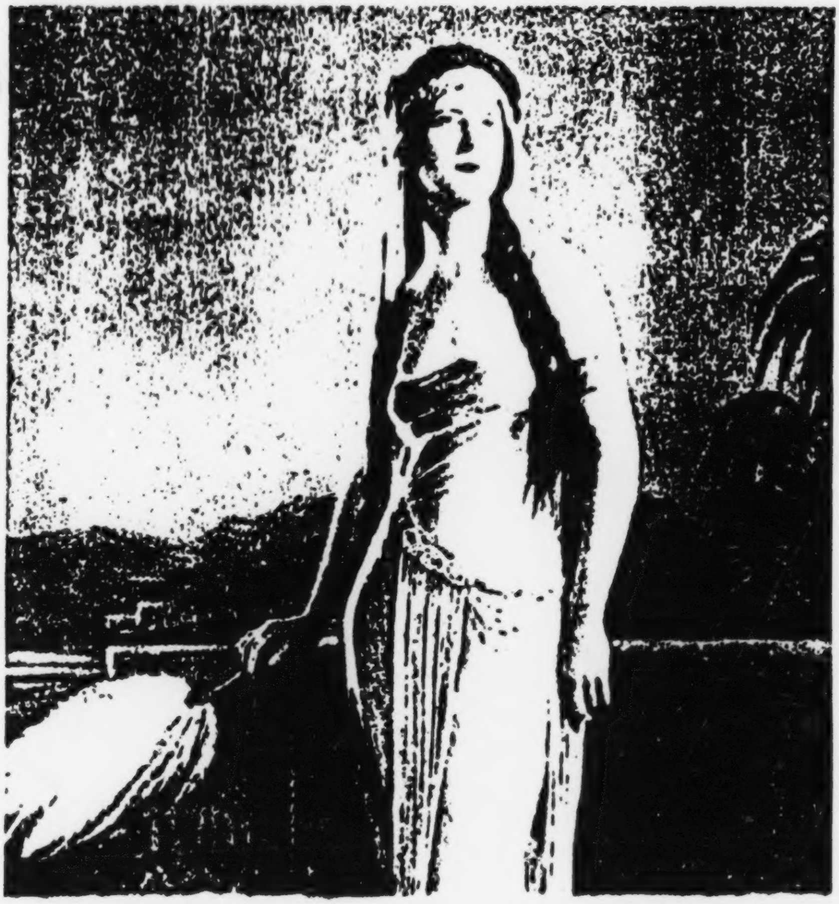
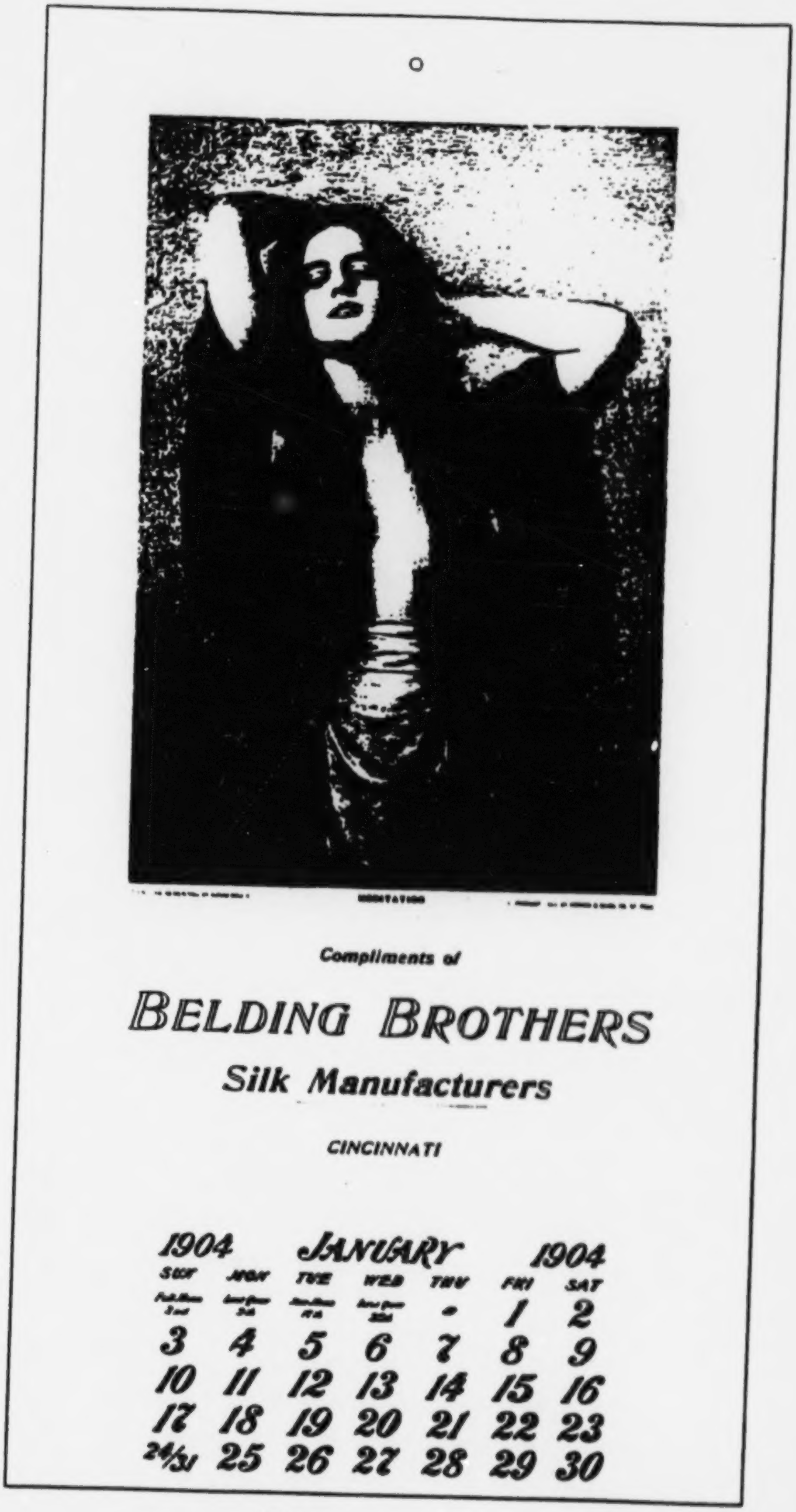


FIGURE 4

BEST COPY AVAILABLE



MEDITATION

Compliments of

BELDING BROTHERS

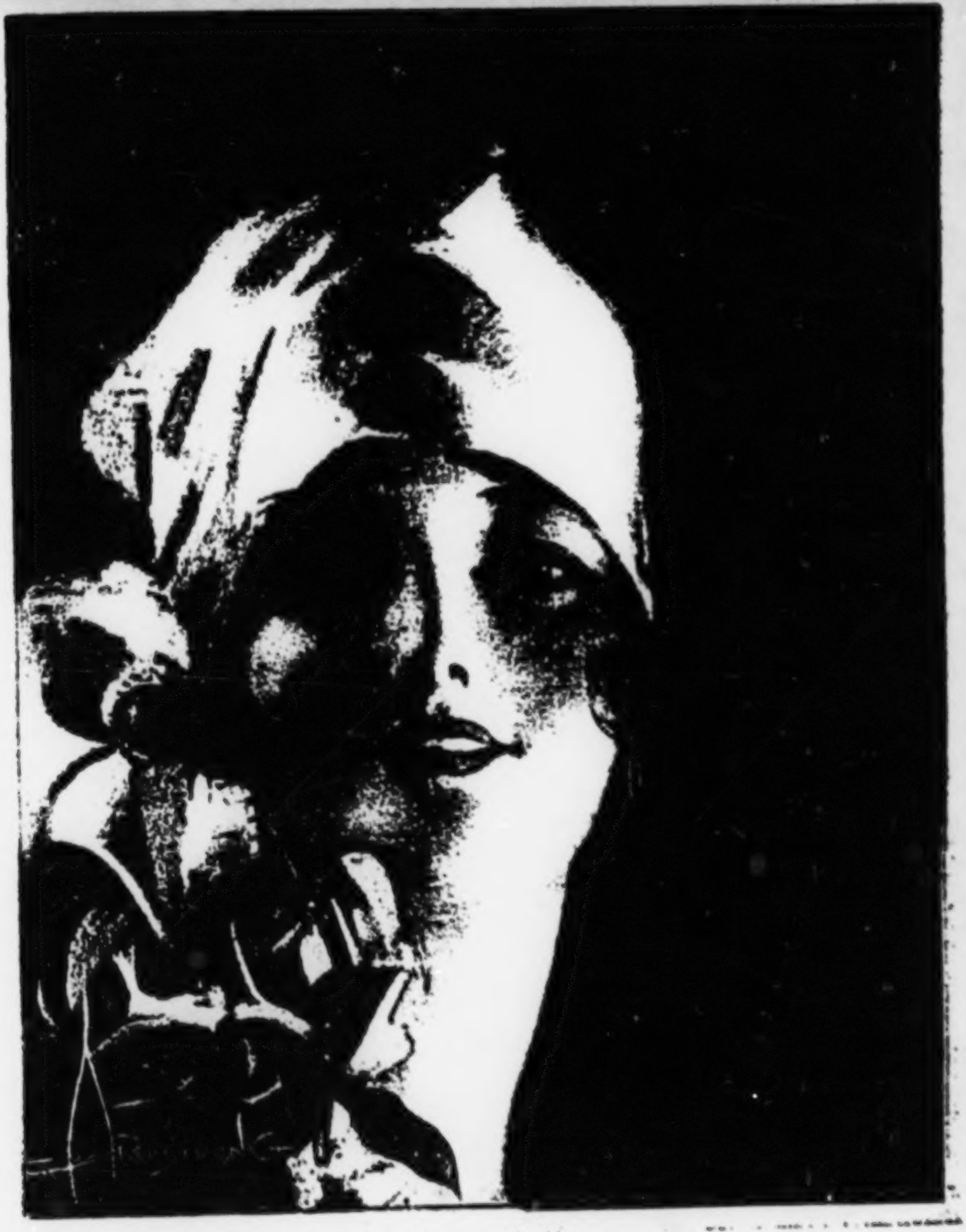
Silk Manufacturers

CINCINNATI

1904			JANUARY			1904
SUN	MON	TUE	WED	THU	FRI	SAT
[illegible]	[illegible]	[illegible]	[illegible]		1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24/31	25	26	27	28	29	30

BEST COPY AVAILABLE

Figure 5



© 1919, LEHIGH PORTLAND CEMENT CO.

[illegible]

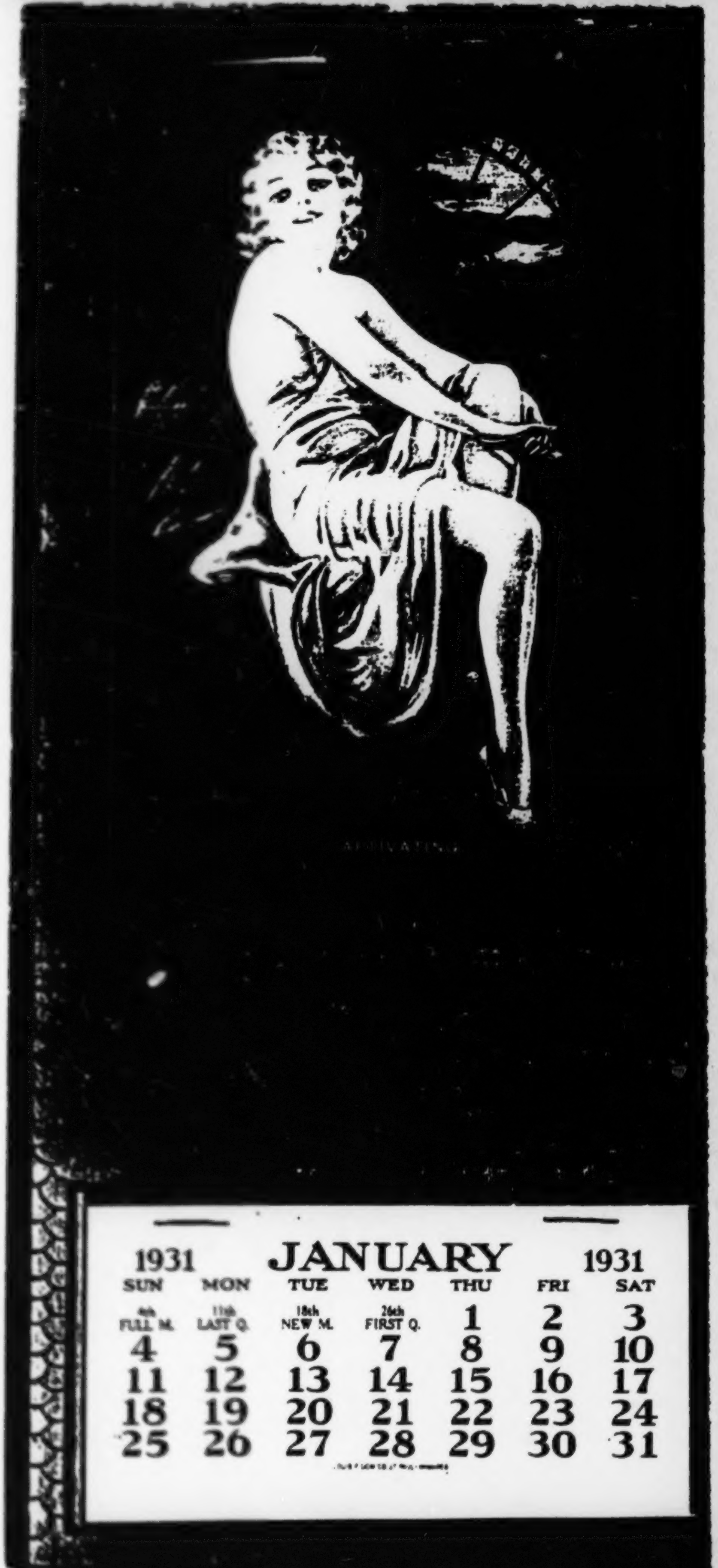
1920 JANUARY 1920

SUN.	MON.	TUE.	WED.	THU.	FRI.	SAT.
Full Moon 5th ○	Last Quar. 12th ☾	New Moon 21st ●	First Quar. 28th ☽	1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17

BEST COPY AVAILABLE

516

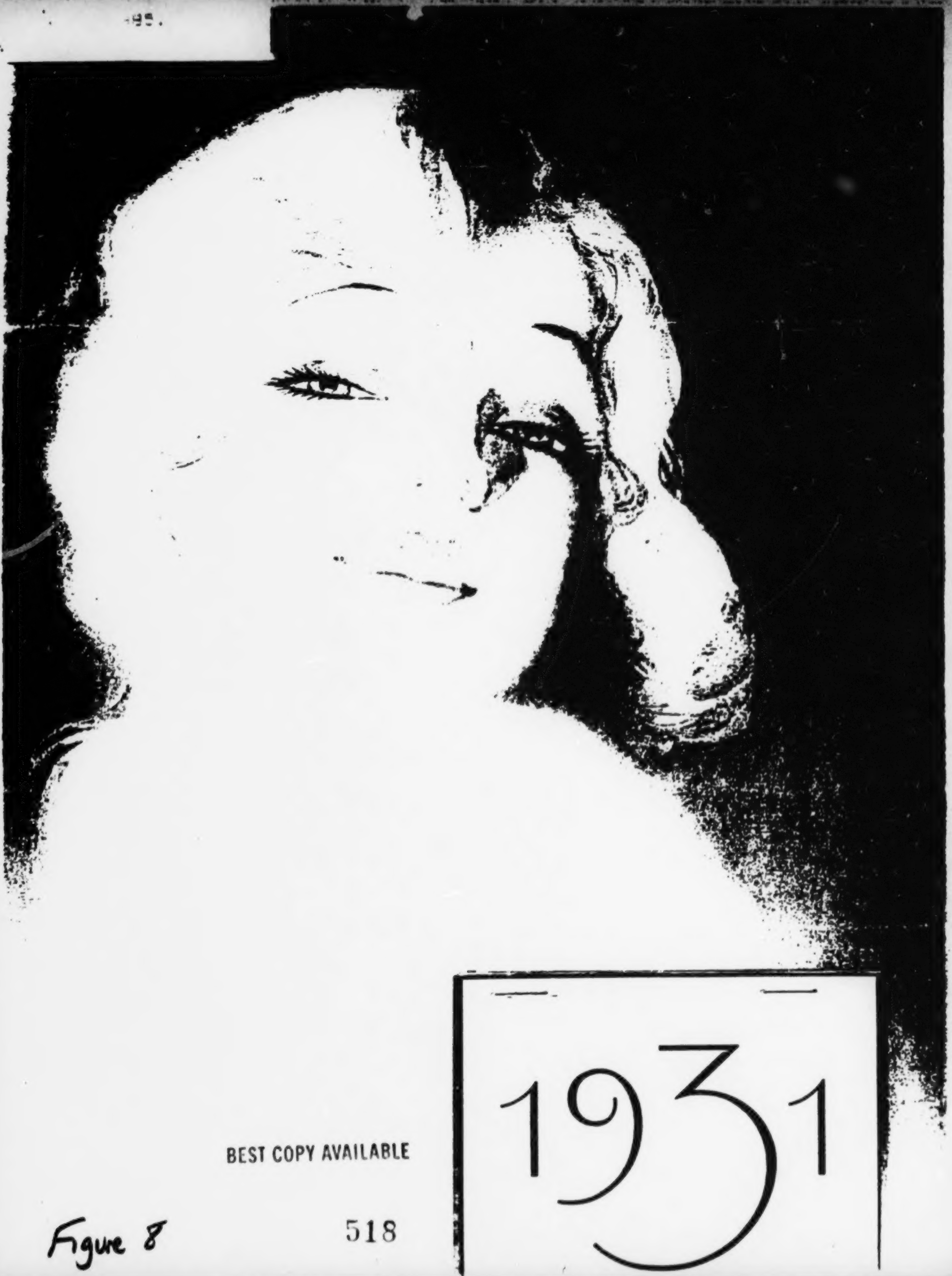
Figure 6



1931			JANUARY			1931
SUN	MON	TUE	WED	THU	FRI	SAT
4th FULL M.	11th LAST Q.	18th NEW M.	26th FIRST Q.	1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

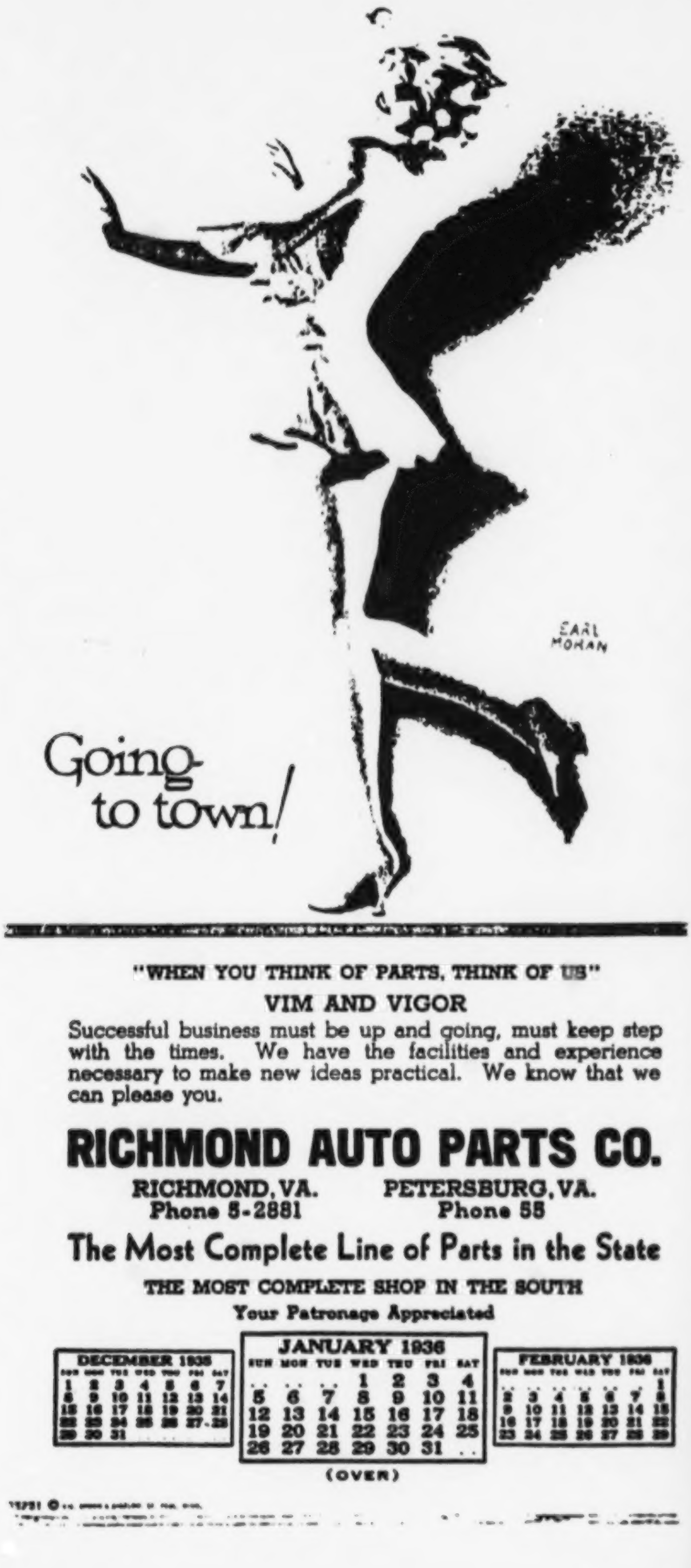
BEST COPY AVAILABLE

Figure 7



BEST COPY AVAILABLE

Figure 8



"WHEN YOU THINK OF PARTS, THINK OF US"

VIM AND VIGOR

Successful business must be up and going, must keep step with the times. We have the facilities and experience necessary to make new ideas practical. We know that we can please you.

RICHMOND AUTO PARTS CO.

RICHMOND, VA.
Phone 5-2881

PETERSBURG, VA.
Phone 55

The Most Complete Line of Parts in the State

THE MOST COMPLETE SHOP IN THE SOUTH

Your Patronage Appreciated

DECEMBER 1935

SUN	MON	TUE	WED	THU	FRI	SAT
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31	..	..	..	..

JANUARY 1936

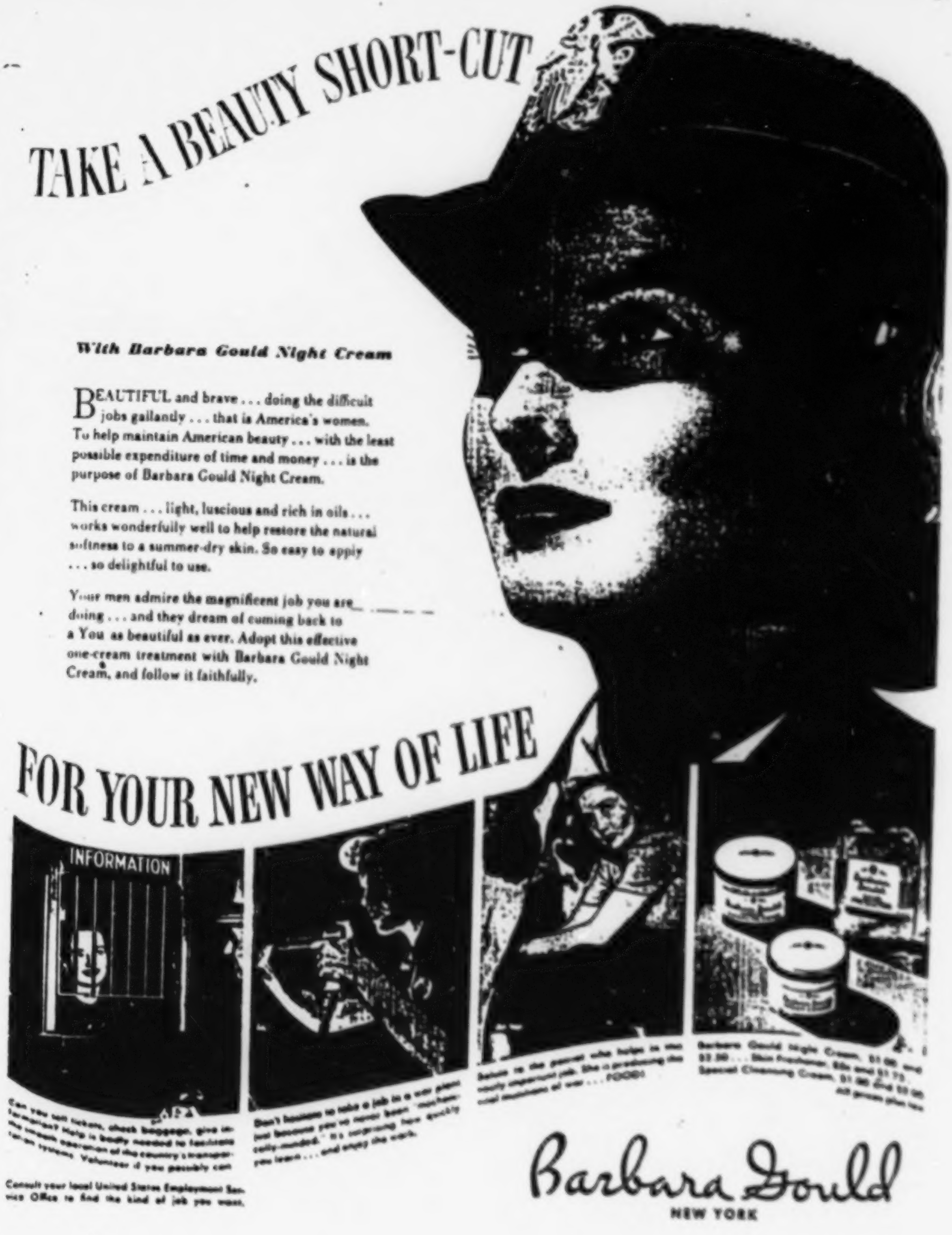
SUN	MON	TUE	WED	THU	FRI	SAT
..	..	..	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	..

FEBRUARY 1936

SUN	MON	TUE	WED	THU	FRI	SAT
..	..	..	..	..	..	1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

(OVER)

Figure 9



TAKE A BEAUTY SHORT-CUT

With Barbara Gould Night Cream

BEAUTIFUL and brave . . . doing the difficult jobs gallantly . . . that is America's women. To help maintain American beauty . . . with the least possible expenditure of time and money . . . is the purpose of Barbara Gould Night Cream.

This cream . . . light, luscious and rich in oils . . . works wonderfully well to help restore the natural softness to a summer-dry skin. So easy to apply . . . so delightful to use.

Your men admire the magnificent job you are doing . . . and they dream of coming back to a You as beautiful as ever. Adopt this effective one-cream treatment with Barbara Gould Night Cream, and follow it faithfully.

FOR YOUR NEW WAY OF LIFE

Can you sell tickets, check baggage, give information? Help is badly needed to facilitate the smooth operation of the country's transportation systems. Volunteer if you possibly can.

Consult your local United States Employment Service Office to find the kind of job you want.

Don't hesitate to take a job in a war plant just because you've never been "mechanically-minded." It's surprising how quickly you learn . . . and enjoy the work.

Salute to the [illegible] who helps in the vitally important job. She is producing the vital munitions of war . . . FOOD!

Barbara Gould Night Cream, $1.00 and $2.00 . . . Skin Freshener, 55c and $1.75 . . . Special Cleansing Cream, $1.00 and $2.00. All prices plus tax.

Barbara Gould
NEW YORK

BEST COPY AVAILABLE

Figure 10

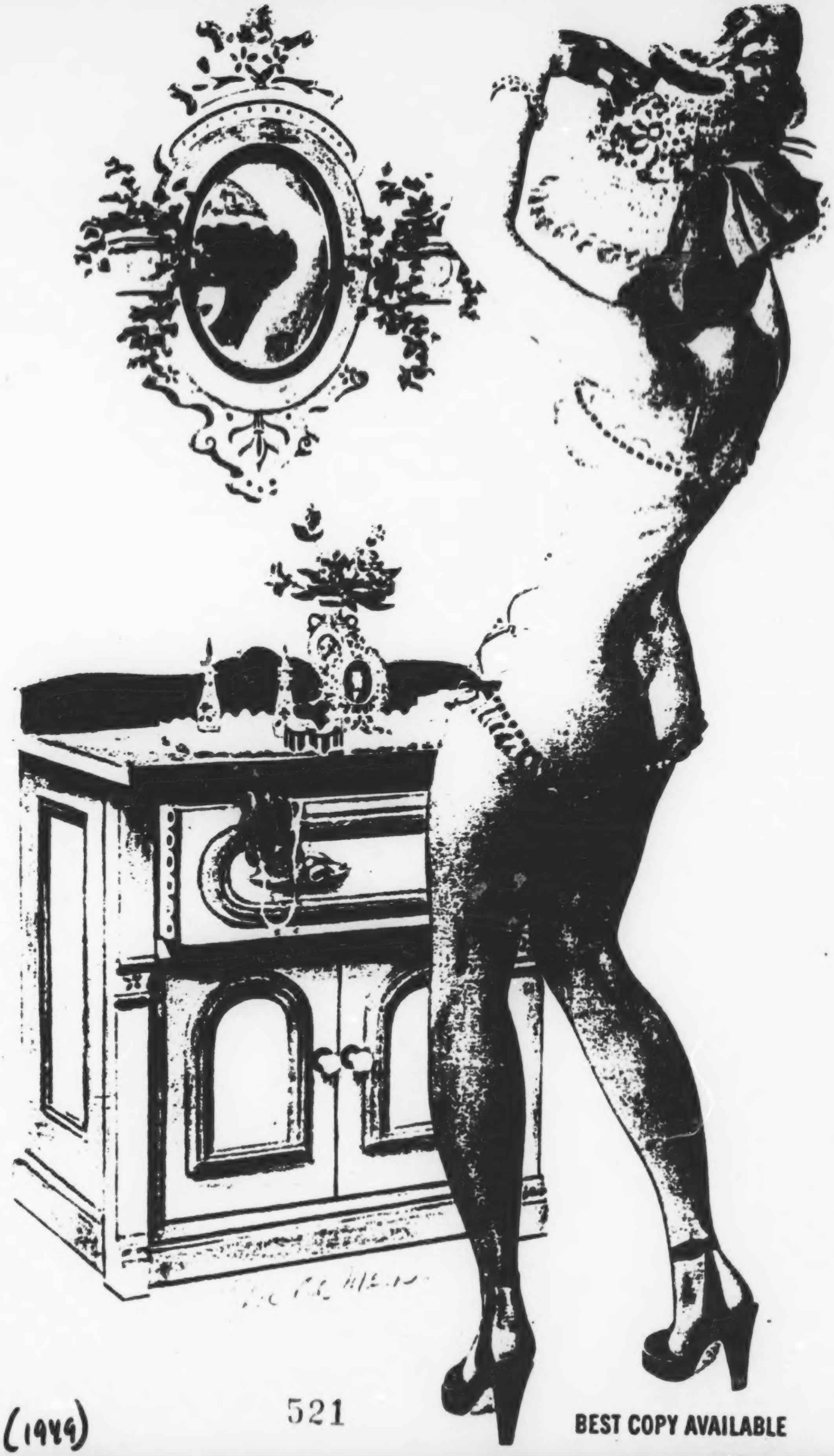
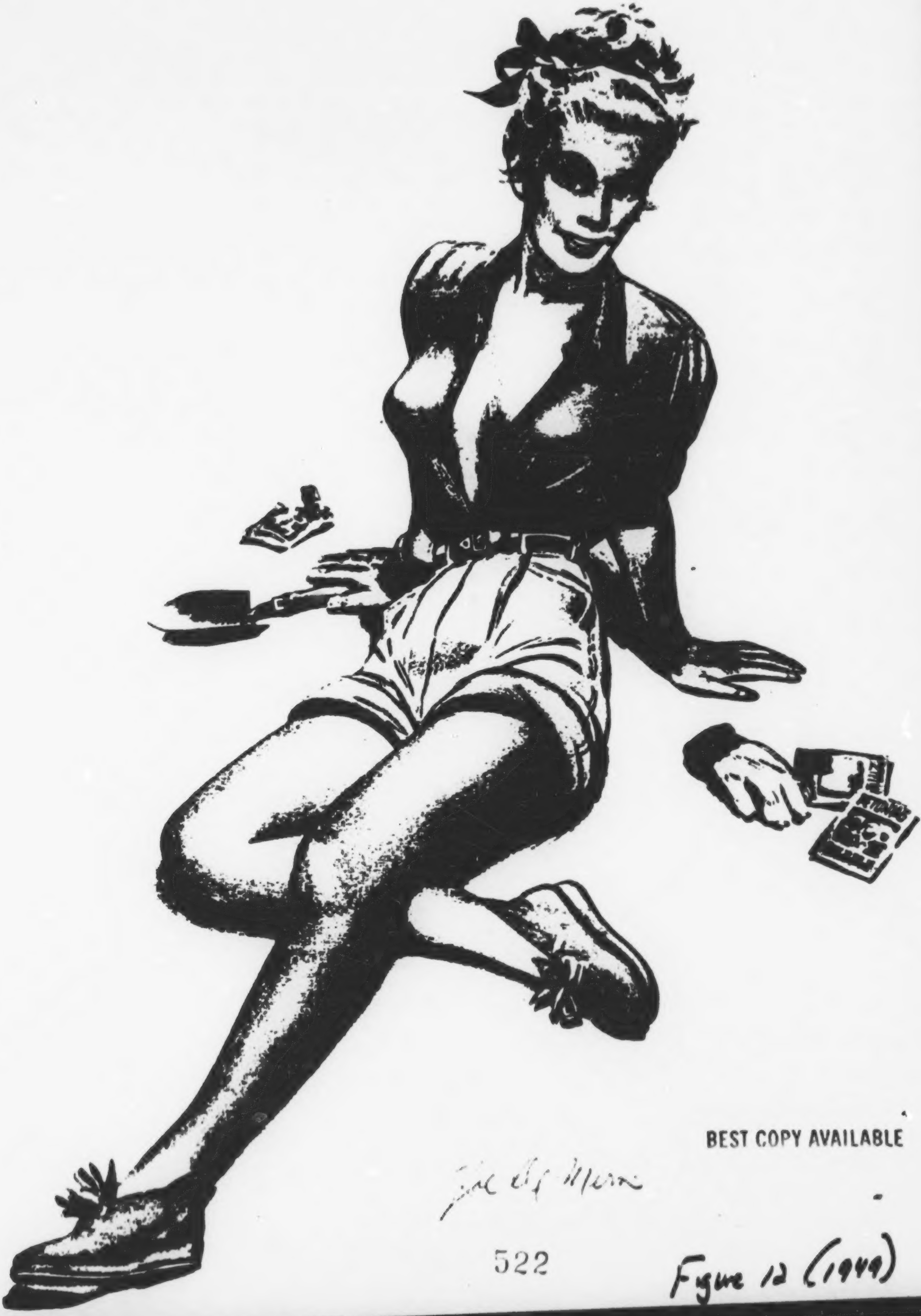


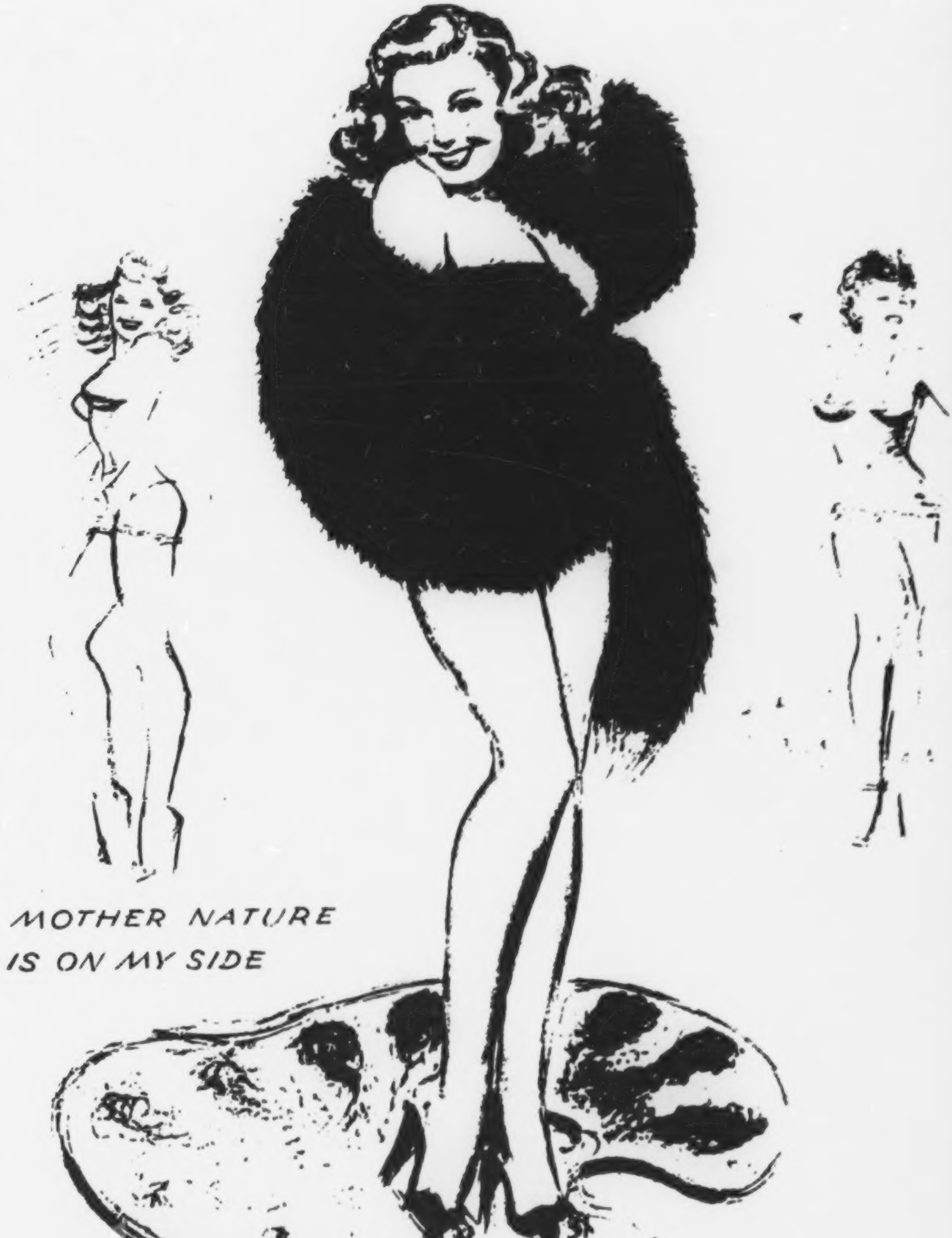
Figure 11 (1949)

BEST COPY AVAILABLE



BEST COPY AVAILABLE

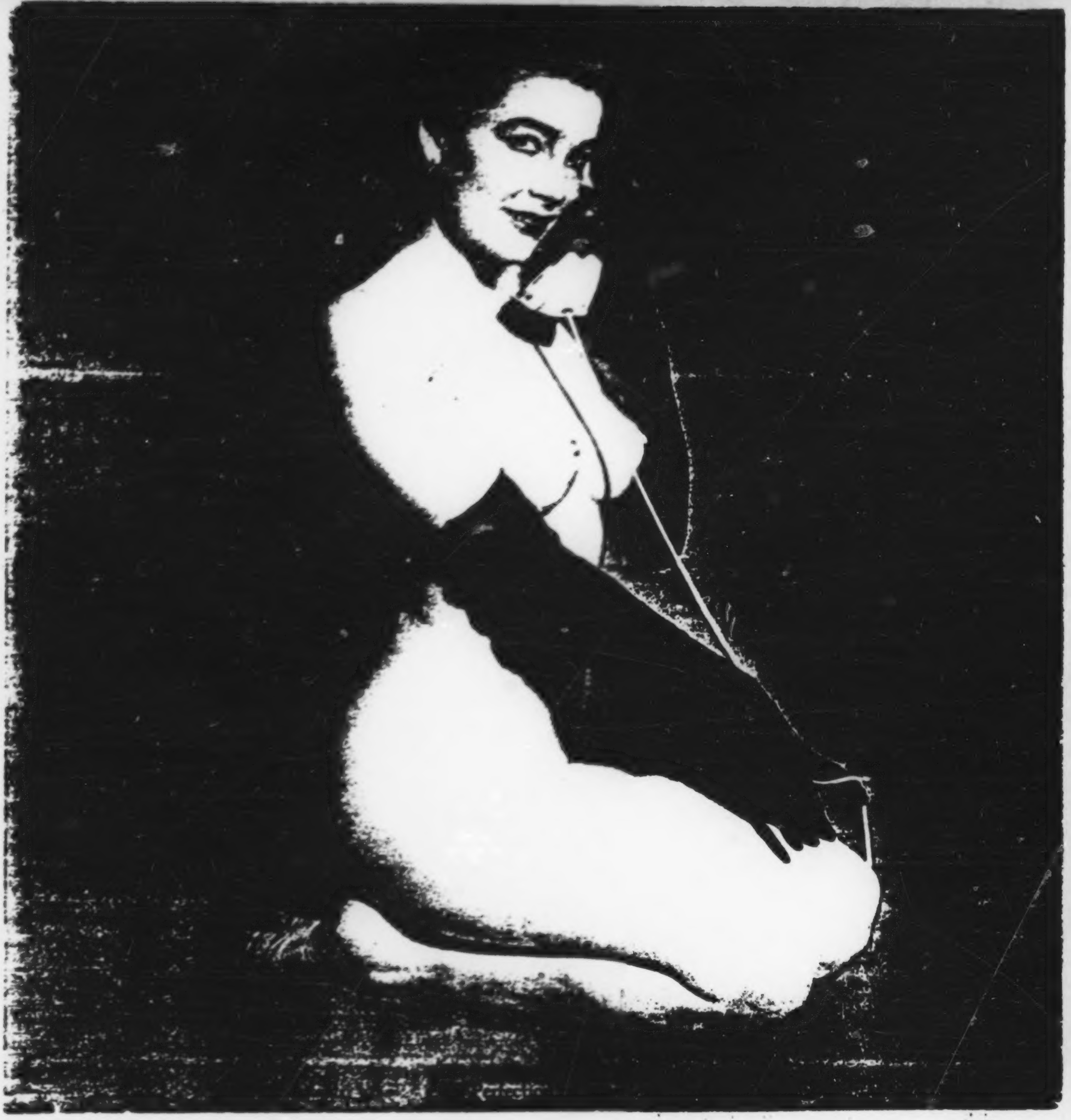
Figure 12 (1949)


MOTHER NATURE
IS ON MY SIDE

SUN	MON	TUE	WED	THU	FRI
	1	2	3	4	5
-	8	9	10	11	12
	15	16	17	18	19

Figure 13 (1954)

BEST COPY AVAILABLE



ROBERT L. DAVIS

AUDIO - VISUAL EDUCATION SERVICE

P. O. Box 572 Phone 3845 FILM LIBRARY

127 N. Mechanic Street

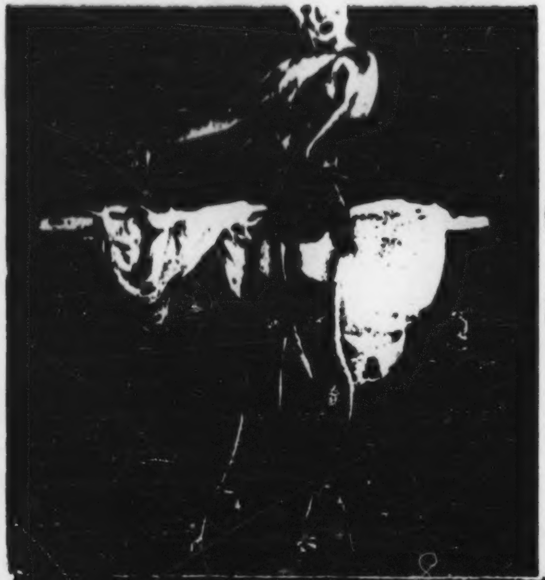
CUMBERLAND, MARYLAND

BEST COPY AVAILABLE

Figure 14

1954			JANUARY			1954
SUN	MON	TUE	WED	THU	FRI	SAT

Figure 15



MELETIO ELECTRICAL SUPPLY COMPANY

315 SO. PRESTON at YOUNG

R-9594 DALLAS 1, TEXAS **L. D. 896**

Distributors

Residential, Fluorescent and Commercial Lighting Fixtures

Motors and Motor Controls

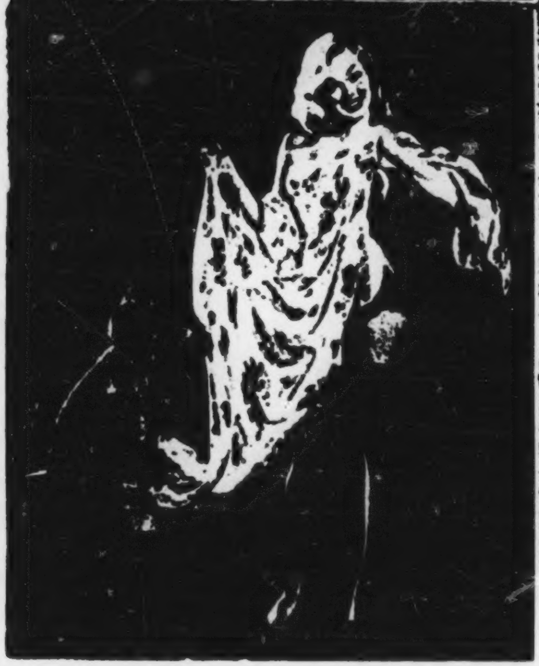
Wiring Supplies • Appliances

CAPTION:

"He Kept Pressing Me For Details"

1949			FEBRUARY			1949
SUN	MON	TUE	WED	THU	FRI	SAT
*	*	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	*	*	*	*	*

Figure 16



MELETIO ELECTRICAL SUPPLY COMPANY

315 SO. PRESTON at YOUNG

R-9594 DALLAS 1, TEXAS **L. D. 896**

Distributors

Residential, Fluorescent and Commercial Lighting Fixtures

Motors and Motor Controls

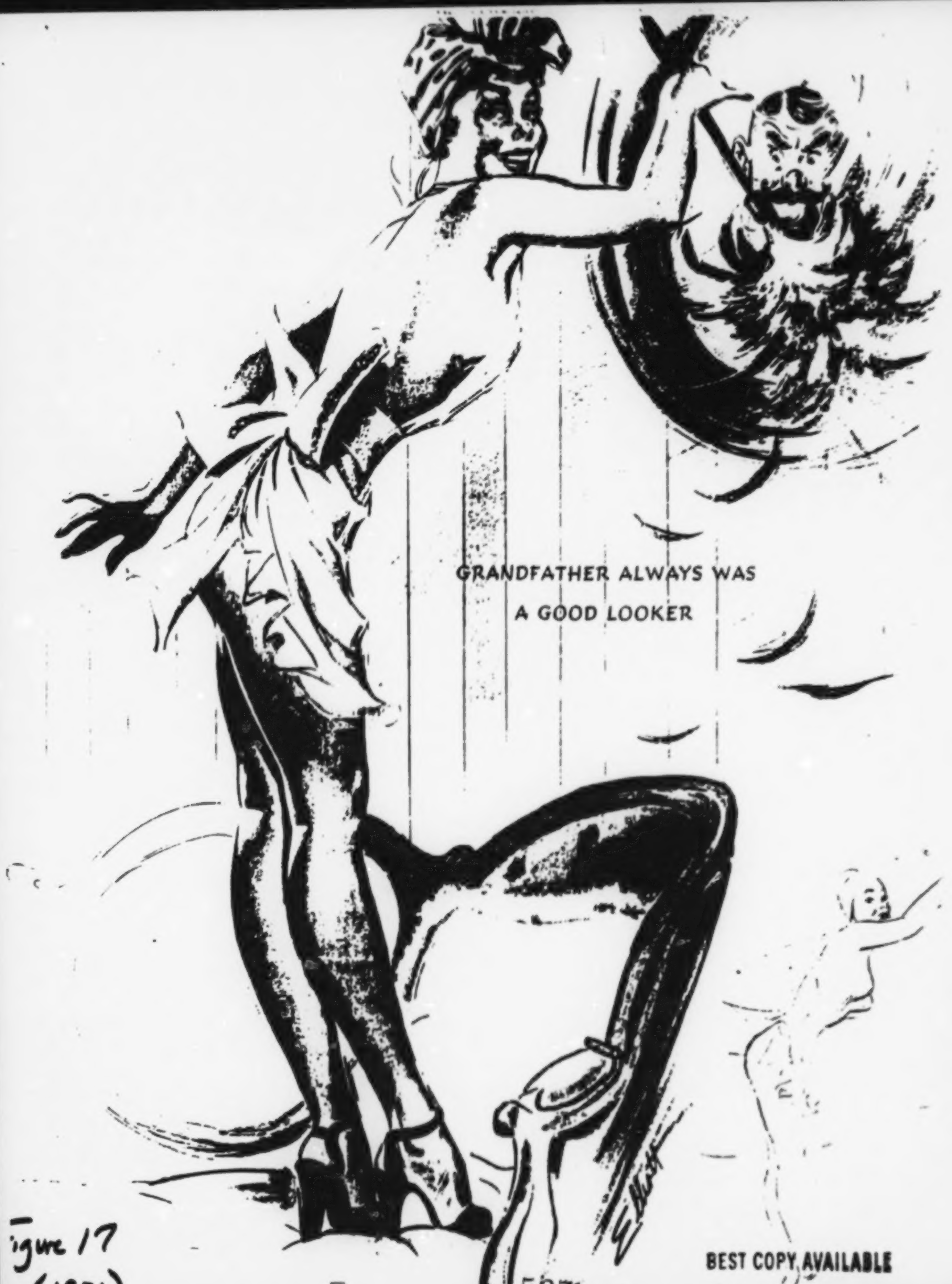
Wiring Supplies • Appliances

CAPTION:

"I'm just trying this on for sighs."

1949			DECEMBER			1949
SUN	MON	TUE	WED	THU	FRI	SAT
*	*	*	*	1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

BEST COPY AVAILABLE


GRANDFATHER ALWAYS WAS
A GOOD LOOKER
Elliott

igure 17
(1951)

BEST COPY AVAILABLE

Jana Frederick-Collins, The University of North Carolina at Chapel Hill

Abstract: "He Kept Pressing Me For Details!": A Critical Cultural Analysis of Domestic Narratives in Post-World War II Pinup Advertising Calendars

Decorative calendars proliferate today in retail outlets such as bookstores and greeting card shops. Prior to the 1960s, however, they were available only from advertisers as part of a promotional genre called specialty advertising--useful or decorative articles carrying the advertiser's name and advertising message to the target audience. The mass appeal of benign and non-controversial images such as children, animals, families, and landscapes and themes such as wholesomeness, patriotism, sentiment, nostalgia, humor dominated calendars distributed to a general audience. Coexisting with this traditional fare were calendars with images of women, often with sexual connotations based on the period's standards, and distributed to a more limited target audience confined to the male-dominated business world.

A major premise of a critical research approach connects cultural processes and forms with social relations such as class, gender, race, age, and lived experience and recognizes them as sites of struggle over social differences and power inequities. In this study I examine a particular cultural form: post World War II pinup advertising calendars. Using a rhetorical and cultural critical approach to analysis, I argue that the narrative discourse of the calendars' images and captions are participants in a broader post-war 'back-to-the-home' effort that encouraged women to return to domestic work, freeing jobs for returning servicemen. The images repositioned women's social and economic roles and personal interests in the context of domestic labor and sexual relations. The texts invite a reading that constitutes women in terms of adolescent-like sexual innocence, hyper-sexualized physique, and domestic narrative. This reading participates in the broader context of a post World War II backlash against women in the workplace and against women's rights and roles in general as they were advanced by their home-front roles during the war.

U.S. DEPARTMENT OF EDUCATION

OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT (OERI)

EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

REPRODUCTION RELEASE (Specific Document)

Please return to:
ERIC/RCS
150 Smith Research Center
Bloomington, IN 47408-2698

I. DOCUMENT IDENTIFICATION

Title: "HE KEPT PRESSING ME FOR DETAILS!" A CRITICAL CULTURAL ANALYSIS OF DOMESTIC NARRATIVES IN POST WORLD WAR II PIN-UP ADVERTISING CALENDARS

Author(s):

Corporate Source (if appropriate):

Publication Date:

II. REPRODUCTION RELEASE

In order to disseminate as widely as possible timely and significant materials of interest to the educational community, documents announced in the monthly abstract journal of the ERIC system, Resources in Education (RIE), are usually made available to users in microfiche and paper copy (or microfiche only) and sold through the ERIC Document Reproduction Service (EDRS). Credit is given to the source of each document, and, if reproduction release is granted, one of the following notices is affixed to the document.

If permission is granted to reproduce the identified document, please CHECK ONE of the options and sign the release below.

CHECK HERE ➧ ☑ Microfiche (4" x 6" film) and paper copy (8½" x 11") reproduction

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY
[PERSONAL NAME OR ORGANIZATION,
AS APPROPRIATE]
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

OR

☐ Microfiche (4" x 6" film) reproduction only

"PERMISSION TO REPRODUCE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY
[PERSONAL NAME OR ORGANIZATION,
AS APPROPRIATE]
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

Documents will be processed as indicated provided reproduction quality permits. If permission to reproduce is granted, but neither box is checked, documents will be processed in both microfiche and paper copy.

"I hereby grant to the Educational Resources Information Center (ERIC) nonexclusive permission to reproduce this document as indicated above. Reproduction from the ERIC microfiche by persons other than ERIC employees and its system contractors requires permission from the copyright holder. Exception is made for non-profit reproduction of microfiche by libraries and other service agencies to satisfy information needs of educators in response to discrete inquiries."

SIGN HERE ➧

Signature:
Printed Name: JANA Frederick-Collins
Organization: SCHOOL OF JOURNALISM & MASS COMMUNICATION
UNC - CHAPEL HILL
Position:
Address: HOWELL HALL CB# 3365
CHAPEL HILL, NC
Zip Code: 27599
Tel. No.:
Date:

Where to send complimentary microfiche --> (Address)

III. DOCUMENT AVAILABILITY INFORMATION (Non-ERIC Source)

If permission to reproduce is not granted to ERIC, or, if you wish ERIC to cite the availability of the document from another source, please provide the following information regarding the availability of the document. (ERIC will not announce a document unless it is publicly available, and a dependable source can be specified. Contributors should also be aware that ERIC selection criteria are significantly more stringent for documents which cannot be made available through EDRS.)

Publisher/Distributor:
Address:
Price Per Copy:
Quantity Price:

IV. REFERRAL TO COPYRIGHT/REPRODUCTION RIGHTS HOLDER

If the right to grant reproduction release is held by someone other than the addressee, please provide the appropriate name and address:

EFF-53 (Rev 4/86)

BEST COPY AVAILABLE

GUIDELINES FOR COMPLETING THE REQUEST FOR REPRODUCTION RELEASE FORM

Under the present copyright law a reproduction release must be obtained for each document before it can be processed for the ERIC system. There are three options:

(Level I) Microfiche (4" x 6" film) and paper copy (8-1/2" x 11") reproduction

This option, which allows ERIC to make the document available on microfiche or in paper copy is most frequently chosen by authors. (77% of ERIC documents are entered as Level I.) This arrangement does not preclude later publication of the document or sale of a printed version by author or institution. However, if you have a limited supply of printed copies or if the document should go out of print, a copy of your document from which other copies can be made will always be available in ERIC.

(Level II) Microfiche (4" x 6" film) reproduction only

This option allows ERIC to make the document available throughout the system on microfiche only. It is most useful if you have a large supply of printed copies but would like to refer requestors to ERIC once your supply is exhausted. This arrangement does not preclude later publication of the document, or sale of the printed document by the author or institution. The ERIC copy of the paper serves an archival function. (13% of ERIC documents are entered in this way.)

(Level III) Document may not be reproduced by ERIC. (Complete Section III of the form.) The document will be cited with bibliographic information, an abstract, and availability information.

NOTE: It is recommended that materials be submitted at Level I or Level II to insure their future availability.

WHAT YOU WANT IS WHAT YOU GET: INDIVIDUALISM AS A CULTURAL VALUE IN PRIMETIME TV ADVERTISING

Joyce M. Wolburg

and

Ronald E. Taylor

Department of Advertising
University of Tennessee-Knoxville
476 Communications Building
Knoxville, Tn 37996
(615) 974-3048

AEJMC Advertising Division
Professional Freedom & Responsibility

Abstract

Individualism is a central value in America. This study explores the depth and the ways that American television advertising reflects individualism. Four types of main message strategies -- (1) The Esteemed Individual, (2) The Efficient Individual, (3) The Physically Attractive Individual, and (4) The "I Am Me" Individual -- and six types of contextual cues related to individualism are identified. This study questions whether advertising reflects individualism in a manner that is equally available to all citizens regardless of gender, race, and age.

Introduction

Individualism is widely accepted as one of the core values in American culture (Lodge 1975; Hofstede 1991; Triandis 1989). Lodge defines it as the belief that "fulfillment lies in an essentially lonely struggle in what amounts to a wilderness where the fit survive -- and where, if you do not survive, you are somehow unfit" (p. 10). Like all values, individualism is thought to be pervasive and reflected in society's institutions as well as in its cultural products such as novels, films, television programs, popular music, and advertising. Yet, the pervasive, taken-for-granted nature of values can make them nearly invisible to the members of a given culture.

The following study explicates the ways in which messages of individualism appear in American network primetime television advertising. The study begins with an overview of individualism in a historical context and proceeds to an interpretive analysis of advertising content. In a sample of 169 commercials the study identifies four main message strategies and six types of contextual cues used by advertisers to appeal to Americans' strong cultural belief in individualism. This study is not intended to be a census of all the ways in which advertisers make use of individualism nor to provide an exact count of the instances of individualism nor to compute the percentage compositions of the various ways in which individualism may be portrayed. Rather it is intended to explore, first of all, the depth and the variation of the portrayal of individualism as an ingrained value, to bring its use to a conscious level and to make available for discussion the taken-for-granted nature of individualism that is interwoven with advertising messages.

Often to recognize what value is being portrayed one must be able to recognize what value(s) is missing. For example, in one commercial analyzed for this study, an automobile parts distributor employed a male-only cast of employees and shoppers with the exhortation "you may feel like the customer, but you're the boss because you know what's best for you." Individualism appears at a very obvious level by indicating that individual decision-making is to be preferred to group decision-making. On a more subtle level, however, the absence of any female actors as employees or shoppers delivers a gender message that defines, elaborates, and limits individualism by indicating the differences in what men and women are concerned with and own. So in fact while it's impossible to "count" things that are not visible, it is possible to record their absence.

An Overview of Individualism

This study first places individualism in a historical context, summarizes the work of major social scientists who have studied individualism as a cultural value, and reviews advertising studies of cultural values.

Individualism In Historical Context. During medieval times the concept of individualism had no place in the fixed social hierarchy. Through the 15th century, medieval social philosophy was wholly dominated by St. Augustine's explanation that God had assigned each person a fixed place in the community (Nisbet 1973). Each person was equated with his place in this hierarchy, and any separation from the social roles assigned by God, society, and family was unthinkable (Baumeister 1987).

The early modern era (16th to 18th century) marked increased social mobility and the cessation of the fixed social hierarchy. The blacksmith's son, for example, was no longer tied to the moral duty to become a blacksmith himself (MacIntyre 1981). Conceptions of individuality began to be articulated, and the basic unit in society began to shift from the community to the individual.

For the first time it was conceivable that the individual's interests could be in conflict with those of society.

John Locke became England's most prominent spokesman for the religious, political, and economic freedoms of man. According to Locke, all men were inherently good, were endowed with inalienable rights by god, and were of equal privilege in the pursuit of rank. Each man shaped his own destiny through personal efforts.

Locke's political philosophy evolved differently in various countries. In England, Locke's ideas were augmented by Jeremy Bentham and John Stuart Mill, and today Britons care far less than Americans about competition than the productive effort to serve the country's needs as defined by government (Lodge).

In France, Locke's notions of individualism that emerged in the 17th century were overtaken by Rousseau's 18th century idea of the General Will, which he defined as the collection of the individual wills of the people.

Locke's ideas came to greater fruition in the United States during the fight for independence. The Declaration of Independence states, for example,

> *We hold these truths to be self-evident, that all men are created equal, that they are endowed by the Creator with certain unalienable Rights, that among these are Life, Liberty, and the pursuit of Happiness.*

Through the Bill of Rights and the 14th Amendment, the U.S. Constitution provides federal and state assurances that individuals will be protected against unjust acts of government that would deprive any person of life, liberty, or property without due process of law.

The French political philosopher, Alexis de Tocqueville, coined the word "individualism" in De la Democratie en Amerique, which described his experiences and observations of the

American people of the 1830s (Miller). According to de Tocqueville

> *Individualism is a calm and considered feeling which disposes each citizen to isolate himself from the mass of his fellows and withdraw into the circle of family and friends; with this little society formed to his taste, he gladly leaves the greater society to look after itself.*

Tocqueville further wrote that as individualism grows

> *there are more and more people who though neither rich nor powerful enough to have much hold over others, have gained or kept enough wealth and enough understanding to look after their own needs. Such folk owe no man anything and hardly expect anything from anybody. They form the habit of thinking of themselves in isolation and imagine that their whole destiny is in their hands (Bellah, p. 37).*

How Social Scientists See Individualism. The polar opposite of individualism is collectivism, a view that holds that the unit of survival lies in the group, not in the individual. The relative presence of individualism and collectivism within various cultures has been discussed by many researchers across disciplines that study relationships. Social psychologist Harry Triandis (1985) believes that individualism/collectivism is perhaps the most important dimension of cultural differences in social behavior across the diverse cultures of the world.

The Dutch social scientist, Geert Hofstede, has researched the many ways in which individualism and collectivism affect family life, occupations, education, and relationships in the workplace. For example, he notes that in most collectivist societies the family consists of many people living closely together -- not just the parents and other children, but grandparents, uncles, aunts, and servants. This "extended family" is the only secure protection one has against the hardships of life. One is loyal to this group over a lifetime, and breaking this loyalty is one of the most severe offenses a person can commit.

While single parent families are commonplace, individualist families typically consist of two parents, the child, and possibly other children, but other relatives live elsewhere and are not seen often. This "nuclear family" teaches the child to be independent, and children are expected to leave the parental home as soon as they can stand on their own feet. In these societies, once children are independent, they reduce their relationships with the parents.

Hofstede also distinguished among cultures on the basis of communication from "high-context" to "low-context," a dimension originally described by anthropologist Edward T. Hall (1976).

High-context communication is typical of collectivist cultures and requires little information to be spoken or written because most of the message is either in the physical environment or within the person. Very little is in the coded, explicit part of the message. In contrast, individualist cultures typically use low-context communication, which gives most of the information explicitly. The United States and Japan are often cited as examples of low-context and high-context, respectively. American contracts, for example, are typically lengthy with details precisely described, while Japanese contracts are very short and inexplicit. The Japanese also place more confidence in verbal agreements than in legal contracts, while Americans place higher confidence in legal contracts than verbal agreements.

These differences in family, communication, education, occupations, and the workplace are summarized in Table 1, and a more detailed list of characteristics of individualist cultures is provided in Appendix A.

Table 2 provides a summary of the views of individualism held by leading anthropologists.

TABLE 1
Hofstede's Key Differences Between
Collectivist and Individualist Societies

Collectivist	Individualist
People are born into extended families or other ingroups which continue to protect them in exchange for loyalty.	Everyone grows up to look after him/herself and his/her immediate (nuclear) family only.
Identity is based in the social network to which one belongs.	Identity is based in the individual.
Children learn to think in terms of 'we.'	Children learn to think in terms of 'I.'
Harmony should always be maintained and direct confrontations avoided.	Speaking one's mind is a characteristic of an honest person.
High-context communication.	Low-context communication.
Trespassing [infractions of rules] leads to shame and loss of face for self and group.	Trespassing [infractions of rules] leads to guilt and loss of self-respect.
Purpose of education is learning how to do.	Purpose of education is learning how to learn.
Diplomas provide entry to higher status groups.	Diplomas increase economic worth and/or self-respect.
Employer--employee relationship is perceived in moral terms, like a family link.	Employer -- employee relationship is a contract supposed to be based on mutual advantage.
Hiring and promotion decisions take employees' ingroup into account.	Hiring and promotion decisions are supposed to be based on skills and rules only.
Management is management of groups.	Management is management of individuals.
Relationship prevails over task.	Task prevails over relationship.

Hofstede 1991, p. 67.

TABLE 2
Leading Researchers' Conceptions of Individualism

Kluckhohn, Clyde Anthropologist, 1951	Envisioned three clusters of dichotomies including "Man and Man" (one's relationship to self and others.) He noted that priority is given either to the individual or to the collectivity, to egoism or altruism, and to autonomy or dependency.
Kluckhohn, Florence & Strodbeck, Fred Anthropologists, 1961	Envisioned five orientations including the relational. This orientation includes the lineal, collateral, and individualistic. Lineal societies have clear lines of authority which dominate subordinate relationships. Collateral (collectivist) societies value the goals of the group over those of the individual. In individualistic societies people are autonomous of the group.
Hall, Edward T. Anthropologist, 1959	Described a Primary Message System that includes ten facets experienced differently by society than by individuals. The ten are: interaction, association, subsistence, bisexuality, territoriality, temporality, learning, play, defense, and exploitation.
Hofstede, Geert Social scientist, 1984, 1991	Described four value dimensions including individualism/collectivism. "Individualism pertains to societies in which the ties between individuals are loose; everyone is expected to look after himself or herself and his or her immediate family. Collectivism as its opposite pertains to societies in which people from birth onwards are integrated into strong, cohesive ingroups, which throughout people's lifetime continue to protect them in exchange for unquestioning loyalty."
Trompenaars, Fons Social Scientist, 1993	Envisioned five dimensions and described the choice between individualism and collectivism as a conflict between what each of us wants as an individual and the interests of the group we belong to. "Do we relate to others by discovering what each one of us individually wants and then trying to negotiate the differences, or do we place ahead of this some shared concept of the public and collective good?"

Hofstede notes that affluent countries are statistically very likely to favor individualism over collectivism because as the wealth increases in a country, people have resources that allow personal expression.

> *The storyteller in the village market is replaced by TV sets, first one per village, but soon more. In wealthy Western family homes every family member may have his or her own TV set. The caravan through the desert is replaced by a number of buses, and these by a larger number of motor cars, until each adult family member drives a different car. The village hut in which the entire family lives and sleeps together is replaced by a house with a number of private rooms. Collective life is replaced by individual life (p. 76).*

Hofstede raises an important point concerning the right to privacy. Collectivist countries offer little privacy, but individualist countries value it highly. Most Americans occupy as large a house as they can afford and provide a separate room for each child if economically possible. Separate bedrooms carry the added likelihood that each person may have his or her own TV set, stereo, telephone, etc. Some TV sets are placed in a room shared by all members of the household and have a collective use, while other sets are placed in bedrooms for individual use.

The Dutch social scientist, Fons Trompenaars (1993), observes that within collectivist societies decision-making uses sustained efforts to achieve consensus. Collectivist societies intuitively refrain from voting because this shows disrespect to the individuals who are against the majority decision. He sees consensus seeking as a time-consuming approach but one that usually allows the decision to be implemented smoothly and efficiently.

Individualistic societies usually handle dissention by a majority vote -- a practice that leads to a quick decision that is often difficult to implement. Companies sometimes come to realize that the organization has conspired to defeat decisions that managers never liked or agreed to.

Advertising and The Study of Cultural Values. While many advertising studies have provided a content analysis of ads, very few have specifically addressed cultural values. More popular research topics have been the portrayal of gender roles and the use of different advertising appeals across cultures. A review of the leading advertising and marketing journals from 1980-1993 produced only 14 content analysis studies that enumerated values either cross culturally or within one culture. Eleven of the studies addressed multiple values; two focused on "inner-directedness versus other-directedness" which is similar but not identical to individualism/collectivism (Zinkhan and Shermohamad 1986; Zinkhan, Hong, and Lawson 1990); and one focused on "time" as a cultural value (Gross and Sheth 1989). The number of values coded in the 11 multiple-value studies ranged from as many as 42 (Pollay 1983) to as few as four (Frith and Wesson 1991), which demonstrates the differing ways that advertising research has conceptualized and measured the core American values in advertising.

American advertising is a cultural product intended to persuade an audience. Advertising messages are intended to influence behavior by creating a desire for a product that will ultimately lead to purchase behavior, or by influencing public opinion to generate votes for a political candidate. In other instances, advertising is used to create favorable attitudes toward companies to enhance their image, which ultimately may increase sales.

In order for these persuasive messages to be effective, advertisers "appeal" to human needs such as security, love, attractiveness, status, convenience, and self-fulfillment. Textbooks of creative advertising list as many as 24 appeal strategies plus 11 different kinds of emotional appeals including excitement, fear, pleasure, poignancy, and pride (Moriarty 1991). These appeals are closely linked to Maslow's hierarchy of needs, which proceeds from lower to higher as follows: physiological, safety and security, belongingness, esteem, and self-actualization (Maslow 1970). While American advertising uses appeals that are clearly related to these needs, Hofstede notes that

Maslow's hierarchy reflects Western thinking. The goal of self-actualization or realizing the creative potential within the individual "can only be the supreme motivation in an individualistic society" (p. 73). In a collectivist culture, the interest of the group will be actualized, and the accomplishment of this goal may require self-effacement from many members.

One of the ways that messages of individualism are carried to consumers is through the advertising practice of writing to the individual. Standard textbooks frequently teach writers to imagine they are writing to just one person. Nelson (1989) recommends the following:

> *Although what you write is reproduced for multiple readership, write as if for a single reader. Attempt to maintain through mass communication the illusion of a salesman-to-buyer relationship. Your writing should be informal, conversational, and where appropriate, intimate. A logical way of developing a one-reader feel in copy is by writing in second person. The word* *you* *is deservedly commonplace in advertising copy (p. 152).*

Advertising giant David Ogilvy also instructs copywriters to address the consumer as an individual. Ogilvy says

> *When people read your copy, they are* *alone**. Pretend you are writing each of them a letter on behalf of your client. One human being to another; second person* *singular* *(1985, p. 80).*

Not only are advertising appeals meaningful to members of a culture because they tap into basic needs, but because the creative execution of the ads is able to place the appeal within a context that reflects the culture. An ad for a cosmetic product targeted toward women may appeal to the need for attractiveness, but the background cues such as the presence of admiring men provide rich cultural material that may deliver powerful messages of individualism and other core cultural values. These cues are meaningful when considering that the way men and women interact and form relationships differs in collectivist and individualist cultures. For example, people in Western cultures choose friends or mates based on attraction, personality, and personal preferences unlike some collectivist cultures that arrange marriages between people based on other needs.

Although the incidental, background details within an ad may seem insignificant, "a well-crafted message, presented against a backdrop of props that 'make sense' and reinforce the intended meaning, can convey a powerful and persuasive image...The impact of the best-intentioned message may be eroded if viewers' expectations regarding the appropriate context are violated" (Solomon and Greenberg 1993, p. 11).

Individualism is such a commonly accepted value within American culture that the research question for this study is not whether advertising carries messages of individualism -- it clearly does -- but rather how these messages are carried. How are the main messages presented, and how do contextual cues support these messages?

Procedure

A set of television commercials that aired during from 8:00 p.m. to 11:00 p.m. (ET) was used in the study. All network programming on ABC, CBS, NBC, and FOX was taped during primetime, Thursday, October 14, 1993, using four standard VCRs with 1/2 inch video tape. The particular date was chosen because it had passed the sweeps period in which special programming was aired, and it fell on a night that contained only regular programming. The network programming of October 14 drew a rating of 43.8 and a share of 73. The average rating/share figures that week ranged from a low of 33.2/62 to a high of 52.8/84. The weekly average was 45.7/75, which was very close to Thursday's figures.

The tapes produced a total of 11 hours of programming. After eliminating local advertising, promotions for programs, and repetitions, a total of 169 different national or regional ads remained.

Since other researchers have not coded ads for individualism messages, there was no previous coding scheme available; thus, the only possible method was to allow one to emerge that could systematically answer the questions posed by the researcher.

Analytical Framework

Analysis of the commercials involved four distinct stages which are diagrammed in Figure 1. Intuitively, it seems that a product or service that is individualized in the manufacturing process would be a more likely candidate for an appeal to individualism. Therefore, the first stage involved classifying the products and services into three groups, and the second stage involved determining the presence/absence of individualism messages so as to answer this research question:

RQ1: Do messages of individualism appear across all product categories?

Stage 1. First, it was noted that in a culture that values individualism some products will make sense only within that culture because the products are manufactured with the individual in mind. For example, individual credit cards make more sense in such cultures and less sense in collectivist cultures.

Even within a culture that values individualism, some products are collectivist in nature because they are owned or created by the government, not available for private ownership, and are equally available to all. Examples include highways, national parks, and defense groups.

Some products, such as food or modes of transportation, could be used equally by people in either a collectivist or individualist culture. Thus, the first step in developing a coding scheme was to classify the products and services advertised into three discrete categories:

1. exclusively individualist-oriented products and services
2. exclusively collectivist-oriented products and services
3. neither exclusively individualist nor exclusively collectivist (neutral)

THE ANALYTICAL PROCESS

Stage. 1 Classify **what** is advertised by type among the 169 ads.

Individual	Collective	Neutral
(52 products)	(1 product)	(116 products)

Stage 2. Identify elements and presence of "individualism."

152 product commercials contain main messages and/or contextual cues.

Stage 3. Collapse elements into main message strategies. Four types of individualism are identified.

78 product commercials reflect
- a. The Esteemed Individual
- b. The Efficient Individual
- c. The Physically Attractive Individual
- d. The "I Am Me" Individual

Stage 4. Re-examine the 169 commercials for contextual cues of individualism. A total of 152 ads contained contextual cues that reflect:

- a. gender
- b. race
- c. ethnic group
- d. age
- e. education
- f. recognition

Figure 1

Of the 169 products and services advertised, 52 were designed exclusively for individual use, one was for collective use, and 116 were products and services that were neutral. Exclusively individualistic products and services included personal credit cards, insurance for personal property, cars, cosmetics, long distance service, and consumer electronics that require single person use. The one collectivist product was the U.S. Army, and the neutral products included transportation, food, OTC drugs, cleaning products, and retail stores. The majority of products in the neutral category were for food and OTC medicines. Table 3 shows the number of products advertised by product category and by individual/collective/neutral designations.

TABLE 3
Product Categories and Frequency by Classification

Individual Products		Collective Products		Neutral Products	
Product	Freq.	Product	Freq.	Product	Freq.
Car/Truck	25	Army	1	Food	32
Long Distance	5			Medicine	20
Insurance	5			Stores	14
Electronics	5			Restaurants	12
Make-up	4			Detergent	7
Credit Cards	4			services	8
Real Estate	2			Toothpaste	6
Diet	1			Shampoo/Deod.	4
Car Rental	1			Miscellaneous	13
Total	52(31%)	Total	1(1%)	Total	116(69%)

Some examples of products packaged for individual use included Snickers and Nestle's Crunch, which are single serving candy bars; Jell-O, an already prepared snack available in individual-size cups; and Lean Cuisine, a single serving microwavable meal.

Stage 2. After noting the distribution of individual, collective, and neutral products, the next stage required identifying main elements of individualism and locating them within product categories. "Main message element" and "contextual element" were selected as the units of analysis. Main message element was defined for this research as the "intended overall impression to be gained from viewing the commercial." Most often it could be deduced by asking after viewing the commercial "What will happen if I buy and use the advertised product? Using Hofstede's key differences in collectivist and individualist societies displayed in Table 1, one coder rated each commercial as either having or not having a main message element incorporating individualism.

Possible answers to the "What will happen question" related to individualism included, among many others: I can take better care of myself or my family, I will become more "me," my children will become more independent, I will learn how to learn, I will gain self-respect, I will win a promotion or increase my skill level, I will be better or more efficient at accomplishing my tasks, I will be more attractive, I will be healthier.

Each commercial was coded into only one main message element. The message elements were:

(1) Take better care of myself/my family
(2) Become more "me"
(3) Make children more independent
(4) Learn how to learn
(5) Gain self-respect
(6) Win a promotion or increase skill level
(7) Work more efficiently
(8) Become more attractive/healthier

Main message elements that focused on product performance, demonstration, uses, and applications were not coded as messages of individualism.

Contextual elements were defined as "secondary characteristics of the commercial that reflect an individualist society but that are not part of the main message strategy." The set of contextual elements was derived from the same set of questions for identifying main message elements. For example, "I can take better care of myself or my family" produces a main element of individualism. However, using an identifiable nuclear family in a Carpet Science commercial that focuses on a product performance message was classified as having a contextual cue as were certain camera angles and techniques that privileged an individual point of view, such as a tight close-up showing individual reaction or individual satisfaction. The contextual cues identified for analysis were: gender, race, ethnic group, age, education, and recognition ceremonies. Thus, for any given commercial, the possible codings were (1) does/does not have a main message of individualism, (2) does/does not contain one or more contextual cues related to individualism.

In all, the set of commercials was viewed five times. After the research questions had been formulated, one researcher served as the primary coder and a second coder viewed a sample of ads for each question. In areas of uncertainty, the two coders viewed the commercials together and agreed upon a designation. Again, the purpose of this study is not to provide an exact count of instances of individualism but rather to explore the depth and the variety of its use. Intercoder agreement was extremely high; that is, the two coders agreed upon the presence/absence of individualism in all messages analyzed.

Observation 1. Advertising promotes the cultural value of individualism across product categories: products designed for individual use, products that are collectivist in nature, and products that are neutral.

A total of 42 (81 percent) of the 52 commercials for products designed for individual use incorporated messages of individualism; 39 (33 percent) of the 116 commercials for neutral products used an individualism message; and the one collective product (100 percent of the total) delivered an individualism message. Overall, the sample of 169 commercials used individualism 81 times (48 percent of the time). (See Table 4).

Among the individual products the car ads frequently appealed to self-interests. A young woman in a Chevy Lumina ad tells viewers

> *The simpler my life is the better. I don't need more stuff. I need good stuff. You sure don't need a car that costs as much as my parents' house. I think my car should be an ostentatious display of common sense.*

TABLE 4
Presence of Individualism in 169 Television Commercials

Product Type	# Commercials	# With Individualism Message	Percent With Individualism Message
Individual	52	42	81%
Collective	01	01	100%
Neutral	116	38	33%
All Products	169	81	48%

While many neutral products contained messages that primarily focused on the efficacy of the product, others appealed to self-interest. A narrative ad for Adult Strength Tylenol showed a young woman arriving at the hospital to give birth to twins, giving her husband a kiss, holding the babies for the first time, experiencing moments of pain in the hospital which were remedied by Tylenol, and finally being at home recollecting the events. With deep emotion she tells us

> *The pain was more than I bargained for, but the Tylenol took care of my pain so I could take care of my new family.*

Because this ad personalizes the product by showing the user in a slice of life situation, it conveys a great deal of cultural information. This ad resonates with the viewers because it reflects the culture of nuclear families rather than extended families, where there are usually no other family members to take care of new babies. The husband probably can't take time off from work so the mother can't afford to be in pain and unable to care for the children because there is no one else to depend on. Male viewers can also identify with carrying heavy responsibilities that leave no time to be sick.

The remaining 88 commercials in the two categories focused their messages on product features or product performance. Typical messages among ads promoting product performance were: Extra Sugarfree Gum cleans your teeth when you can't brush after eating; Circuit City offers six months interest free on purchases; Ripple Crisp Cereal has ripples to make it crunchy; Effidac gives 24 hour relief from cold symptoms; Branola offers the taste of granola with the fiber of bran; Hershey's Chocolate promises there will never be another unfinished Symphony Bar; and Duracell's dependability is one of the great unsolved mysteries.

The one purely collectivist product, the U.S. Army, also used an individualism message. The ad focused on a woman who tells us

> *if the communication data isn't programmed right, 5,000 troops could be cut off, but I'd never let that happen to my brigade.*

By highlighting the personal sense of responsibility and satisfaction from accomplishment from a single person, the Army values individualism by showing how to stand out in the crowd and "be all that you can be." A more collectivist execution might focus on the pride and satisfaction of belonging to the group, and accomplishment through teamwork.

One exception to the individualization of products was exemplified in an ad for Quincy's Restaurant. Viewers look at scenes of country life and see people enjoying each other's company at Quincy's. The voiceover says

> *One of the best things about livin' in these parts is you get to know everyone before you're done. The boys at the fillin' station, the ladies at the Superette, the crowd that's always eating at the Quincy's. You can blame that on the country sideboard...But me, I figure folks like ourselves always end up 'round the dinner table together. Only makes sense with someplace with good food...We like folks like you.*

Observation 2. Not only does advertising appeal to individualism across product types, it does so in a similar way across product categories.

Several comparative schemes were developed to test if individualism when applied to an individualist product somehow works differently than when it is applied to a collectivist or neutral product. As one might expect, there is a quantitative difference but the qualitative nature of the appeal seemed not to differ. The eight elements of individualism identified in the first viewing of the commercials were present in both product categories.

Stage 3. Following the analysis of elements across the three types of product categories, the following research question was posed:

RQ2 When it appeals to individualism, how does advertising use individualism in the main message strategy?

The eight message elements were collapsed into four better-defined main message strategies, which produced a typology of "The Esteemed Individual," "The Efficient Individual," "The Physically Attractive Individual," and the "I Am Me" Individual. (See Table 5 for a distribution of these messages across product types.)

The "Esteemed Individual" is made up of the message elements of "take care of myself/family," "gain self-respect," and part of the "become more me" element.

The "Efficient Individual" is made up of the message elements of "children more independent," "learn how to learn," "win a promotion or increase skill level," and "become more efficient."

The "Physically Attractive Individual" is derived from the message elements of "more attractive/healthier."

The "I Am Me Individual" was a distinct category within the message element of "become more me." Repeated viewing of the commercials in the "become more me" element demonstrated that within this category there were two distinct appeals. The first uses an appeal where the product promises to help the consumer reach a state of "me-ness." These appeals were subsumed by the "Esteemed Individual" category. The second appeal, however, is used when the state of "me-ness" is assumed and the product or service becomes a way not of achieving this state but of symbolically representing it. Within messages of individualism, it holds the value of individualism as supreme, as discussed below.

TABLE 5
Distribution of Message of Individualism Across Product Category

	Message Type			
Product Type	The Esteemed Individual	The Efficient Individual	The Physically Attractive Individual	The "I am Me: Individual"
Individual	50%	31%	12%	07%
Collective	100%	--	--	--
Neutral	55%	24%	18%	03%

Observation 3. Advertising uses four types of messages of individualism: The Esteemed Individual, the Efficient Individual, the Physically Attractive Individual, and the "I Am Me" Individual.

The Esteemed Individual. The esteemed individual is one who feels better about himself/herself psychologically or emotionally because of the use of certain products. For example, an ad for Auto Zone shows a close-up of the store manager who elevates the importance and the status of the consumer by saying

> *...Nobody can stock everything, but we stock more than most. And how do we know which ones to carry? That's easy. We listen to our customers because nobody knows better about what you want than you. So the next time you walk through that door, you might think of yourself as a customer, but we think of you as the boss.*

Even seemingly unlikely products reflect messages of self-esteem. For example, a man tells his little daughter, "Somebody must think I'm special because I've got Post Premium Raisin Bran, not just any raisin bran." The final line tells us it "makes everybody feel like somebody special."

In an ad for the Ford Probe we see a little boy dressed in white flying a white paper airplane while a voiceover tells us

> *Within us all lies a hidden child. A child whose heart soars with the magic of earthbound flight. A child who sees adventure in every step of the road.*

Images of a white Probe traveling on a country road are shown while the voiceover describes the car as

> *A pure and simple sports coupe designed to release your inner child and teach him to drive.*

Visine Extra is a neutral product that could take various approaches but taps into the social needs of the individual to look energetic and rested. This ad says

> *Red, irritated eyes say things about you that aren't true. Red eyes make you look worn out, stressed out, or upset, even if you're not. Look your best with Visine Extra.*

Some products enhance the individual's self-esteem by performing humanitarian acts intended to help the community. An American Express ad that addresses needs for individualism and collectivism shows a spokesman telling the viewer about an organization called Share Our Strength. The spokesman tells us that Share Our Strength tries to help hungry people by getting resources to communities, and that viewers can help in the charge against hunger by using the American Express credit card. American Express donates up to $5 million at the rate of 2 cents per card purchase to help provide meals.

Although the product benefits the community, it also transforms the individual by raising self-esteem. People are not asked to contribute directly to Share Our Strength; they are asked to make a credit card purchase. Thus, the ad encourages individuals to give to charity in a way that also benefits both the individual and business.

Food Lion uses a similar approach by telling viewers of a program to help children who suffer from child abuse. The ad shows children at a puppet show with the spokesperson saying

> *These puppets are teaching these children how to prevent or interrupt the cycle of child abuse -- how to know in a non-threatening way the difference between discipline and abuse. Years ago Community Way Days was established by Food Lion people to help fund programs like this. For these children it means knowing who to talk to if they have a problem, and for Food Lion people it means a chance to share.*

Food Lion gets public recognition for community work through its advertising, and viewers satisfy their individual needs to feel good about themselves by helping others.

The Efficient Individual. In an individualist society, tasks and task completion prevail over relationships. Certain products promise to make people more efficient in their work and household tasks.

An ad for Overnight Express from the U.S. Postal service offers to help the individual compete in the workplace. The voiceover says

> *A startling proposal heads for New Orleans. A hard fought contract is Chicago bound. Three pairs of contact lenses are expected in Tampa...We trace; we track; we deliver for you.*

In a domestic setting a young woman in a Tide ad tells us

> *It's not only tough to make a dollar these days, it's tough to keep it. I know how hard my husband works. He's always on the run, in a hurry, and he gets very dirty. My job is saving some of the money.*

After explaining how Tide helps her save money, she ends by saying, "I want to do the best I can do for my family. We're a team." According to the message in the ad, Tide not only allows her to get the clothes clean and save money over the bargain brand, but it allows her to feel important by making an essential contribution to the family.

Some products claim to enhance or transform the individual economically. For example, a Snickers ad shows a professional photographer at a soccer game who tells us he must stay focused because "if hunger gets in the way, some other guy grabs my shot." While going after his shot, he explains, "Hey, these guys aren't the only ones competing out here." The tagline for the product is "There's a hunger inside you," which seems to refer to both the physical hunger and the competitive hunger to win.

The photographer is economically motivated to compete for the best shot because he will have excelled at his job, and he may be financially rewarded. The ad also taps into social needs to compete for the sense of pride and accomplishment that comes with being the best.

An ad for ITT shows how to efficiently attain the education that will enhance competitive skills in the job market. The ad compares non-graduates of ITT who have been unable to find a job after graduation to ITT graduates who finish school more quickly and have a job waiting for them, arranged by ITT's placement service.

The Physically Attractive Individual. Some of the clearest examples of messages of individualism appear among cosmetic products, which express the need for physical attractiveness. A Salon Selectives Shampoo ad shows two beautiful women with long hair bouncing at their shoulders. Men are shown admiring them, and the voiceover tells us, "This isn't just about a look; this is about how you feel."

Similarly, a Head and Shoulder's ad set in a beauty salon shows a woman with beautiful, dandruff-free hair admiring herself in the mirror and thanking the man who styled her hair. When he says, "Looking good," she responds, "Thanks to you," [and Head and Shoulders].

Ann Jillian shows us her picture just after her baby was born. She comments that in the photo she still looks pregnant. But with Ultra Slim Fast she lost "50 pounds in six months." Her final line is, "I love what Ultra Slim Fast did for me. It can work for you, too."

Loreal's Accentuous Mascara "accentuates the positive" with the "new eye-opening look;" Clarion cosmetics allow you to "care yourself beautiful;" and Estee Lauder's Fruition gives you beautiful skin because "underneath the skin you see is the skin you want."

Although most of the physical enhancement ads were directed to women, a young man who uses Arrid Deodorant tells us, "It's okay to sweat when you work out, but it's not okay to sweat when you're close." His girlfriend says, "Cute or not, if he smells, it's over...I trust Arrid." While the product doesn't offer permanent enhancement, the daily use of the product maintains his love life.

The "I Am Me" Individual. One category of messages of individualism ranks above all others because these messages offer "individualism" as the supreme cultural value. While the esteemed individual uses products to gain self-esteem and the physically attractive individual uses products to become a more physically attractive individual, in this category are advertisers who place "individualism" as the ultimate accomplishment. Consumers have already achieved "ultimate individualism;" products and services become ways not of achieving individualism but ways of expressing the achievement of the ultimate state.

A Sprint ad offers a clear example of ultimate individualism in which Candice Bergen tells the viewer that Sprint is the only company to provide local, long distance, and cellular telephone service, and "whoever said the world doesn't revolve around you obviously didn't have Sprint." The message is a supreme endorsement that the individual is more important than the group.

A Saturn ad shows a young woman who tells us

> *Ever since I was a little girl, I knew I wanted to fly, and when I got the opportunity to fly jets, I had to go for it. I wanted to buy a fun car that kinda gave everyone else on the road an*

> *impression of my personality. And therefore, I was looking for something fun and sporty and sleek and looks like it could possibly take off if given the proper runway.*

Another example of individualism is seen in a McDonalds' ad with a father feeding his baby son in a high chair at home. He says

> *Here's your din-din, big fella. (Daddy hands his son some baby food) Here's Daddy's din-din. (A Big Mac)*

As the baby throws his spoon on the floor the voiceover says

> *Once you get a look at those two all beef patties with special sauce, lettuce, and cheese piled fresh and hot on that sesame seed bun, you've gotta have a Big Mac.*

While Daddy is picking up the baby's spoon from the floor, the baby is reaching for Daddy's Big Mac, and the jingle plays, "What you want is what you get, at McDonalds today."

In Western culture, which promotes assertiveness, and self-expression and independence at an early age, this ad is meant to be cute and humorous. However, in collectivist cultures people might not be amused when the baby asserts his will and wants Daddy's food. Getting what you want from the time that you are a baby is a concept that makes sense only in an individualized culture.

Stage 4. Following the analysis of main message strategies, the following research question was posed:

RQ3 How does advertising use context to convey information regarding individualism?

Six types of contextual cues were identified.

Often the background setting in which an ad operates is as important in conveying examples of the expression of individualism as is the main message. A total of 152 ads (90%) provided detailed contextual cues through the presentation of people in the ads. Thirteen of the 169 ads (8%) showed people in a minimal way, and only 4 ads (2%) were devoid of people and setting.

In order to express individualism, one must know many things including the accepted gender roles, the proper occupational roles, the social status of possessions, the care and maintenance of private property, the accepted ways to compete with others, the types of education that make one competitive in the job market, the acceptable leisure activities, the effective communication techniques, the nature of recognition, and the use of time and space in the social structure. Six types of contextual cues were identified.

Observation 4. In addition to main message strategies, advertising make use of a variety of contextual clues to sign and, thus, to reinforce individualism. These include gendered roles, race, age, education, recognition rituals and camera techniques.

Several ads from this sample provide cues from the "real life" scenarios that teach acceptable behavior for consumers according to gender, race, ethnic group, age, education/occupation, and the nature of recognition.

Gender. An ad for Prudential uses very little dialogue and relies on visuals that trace the birth of a baby girl until her graduation from college. Prudential combines "peace of mind," "a piece of knowledge," and "a piece of the rock," with images that show the mother before the child is born, the mother and child in the hospital, the child in kindergarten, and the grown daughter at her college graduation with Dad smiling proudly. While the ad also provides an example of a main individualism message, it provides contextual information by showing stereotyped gender roles with the mother figural only at birth and the father figural only in providing an education. By showing a daughter graduating from college rather than a son, the ad is accepting of women receiving an education, but the ad conveys that insurance is a man's domain. It is a man's role to provide for the family and to determine how to protect the family and their possessions. In addition to this ad, three other insurance ads for different companies -- Grange, Liberty Mutual, and Nationwide -- showed men only, a strong statement that the protection of life and property is masculine behavior.

Auto Zone ran a second ad in which a man on a camping trip tells his buddies about his experience at Auto Zone, including the special attention and consideration he received. The reenactment of his purchase experience omitted showing women as customers, like the earlier ad, which can supply the viewer with the idea that special attention and consideration may be afforded to men more than to women. On a more subtle level the viewer learns that camping is an acceptable recreational activity for men that allows them to spend time together away from home and family without disapproval -- not a message that would resonate using a female cast.

Ford Explorer shows an interesting gendered ad in which a young, attractive, romantic, married couple are deciding what to do that day. She says, "I thought I'd like to go buy some flowers," and the viewer sees an image of flowers from a store loaded into the back of their Explorer. He says, "I know a place where we can go by some flowers," and the viewer sees a field of flowers away from the city. The ad continues with other plays on words -- she wants to go to the theater to catch a show and he agrees, thinking they could catch some fish. Finally, she suggests a candlelight dinner and visualizes dinner at a restaurant while his idea of a candlelight dinner is over an open fire out in the wilderness. The Ford Explorer makes all of this possible because "the world's too big to be left unexplored," and the final scene shows the couple cooking out over an open fire (his visualization). The ad very nicely shows different interests of men and women, but interestingly leaves the viewer thinking that his choice prevailed.

Women play strong roles in these contextual situations, but they are more often experts in the realm of cleaning products and OTC drugs. For example, we are told that a dentist recommends baking soda and peroxide for cleaner teeth, but it is the dentist's wife who discovered that Mentadent has combined these ingredients in a product that tastes better and saves time.

In an ad about a retired couple, a woman tells us that her husband takes Advil when his arthritis flares up so he can continue doing the things he loves, such as working on furniture. While the images are of the husband, the voiceover is that of the wife.

With most OTC drugs and toothpaste, Mom is the expert. She averted disaster by giving her family Immodium AD when diarrhea struck the family on their trip to Hawaii; Mom became Dr. Mom by giving her family Robitussin; and another mother had to "act like a mom, but think like a dentist" by buying Crest Toothpaste for her daughter.

In all fairness, men saved the day in two of the OTC drug ads, one in which a man offers his fiancee Tums for heartburn while eating dinner at his parents home, and another in which the husband offers Vicks 44 to his wife who is trying to take care of a small baby while she is sick with a cold. He takes care of the baby while she takes a dose of Vicks 44. Both of these ads tell us important social information -- how to handle a potentially embarrassing situation with in-laws, and how to share the child-rearing responsibilities, although both ads reinforce other stereotypical behavior. It was the mother who had cooked the meal that gave the future daughter-in-law heartburn, and the Vicks 44 ad upheld the traditional roles of men working and women caring for the baby.

Men appear to achieve credibility and expertise through professional associations while women achieve credibility and expertise through their role as wife and mother. An ad for Effidac used an older man as the spokesperson, and his appearance and personality fit the stereotype of the physician.

In the realm of cleaning products women have no equals. It is the wife who buys Carpet Science so she and her husband don't have to keep moving the furniture around to cover up the spots on the carpet; it's the wife who knows that buying bargain brands costs more than Tide in the long run because you have to wash the clothes twice; it's Mom who knows to use Shout Gel for clean clothes when other detergents hide from dirt; and finally it's a woman who says, "Most people are experts at something they like; I'm an expert at something I hate -- grease."

While women are experts in domestic affairs, men are shown as incompetent in these areas, as though domestic competence might be "unmanly." In a Clorox Toilet Cleaner ad we see "Bad John" turn into "Good John" in a word play in which John is a rather incompetent looking guy who prepares for the task of cleaning his john (toilet). Similarly, "Bob" can't quite follow what his wife is telling him about Branola, (she says it's like Granola spelled with a "B," like your name), and he repeats everything back to her. These messages convey that men shouldn't be too knowledgeable about domestic affairs because it makes them less masculine.

Race. While gendered behavior is figural in many ads, other aspects of culture are visible such as race. Aside from the grease expert who was black woman, only four other ads showed blacks as spokespersons or narrators. These included a little girl in the second grade who learned to read on a fifth grade level with Hooked on Phonics; an arthritis sufferer who tells us about the Tylenol Fast Cap for people who struggle to open medicine bottles; a black teen-age girl who gets so wrapped up in a phone conversation that she ignores the family dog out in the rain (a South Central Bell ad for call waiting so Mom and Dad can call and remind her to let the dog in); and another South Central Bell ad in which a hospital volunteer cheers up the sick children by putting on a puppet show with goods he acquired by using the yellow pages. A few blacks also appeared among the white customers of Wal-Mart, Hardees, KFC, Wendy's, and J.C. Penney's.

Two different executions for the Mazda 626 LX provide an example of how the same product is positioned differently to blacks and whites. One of the Mazda 626 LX ads showed a young, white, attractive, professional looking woman experimenting with earrings, lipstick, and sunglasses while a voiceover says

> *If you're looking for ways to make a statement, here's the American made Mazda 626 LX...It'll say a lot about your sense of value and style.*

In the other ad we see images of the workers who build the car along with their families. We first see a white family (a little girl with her mother) standing in the doorway of a house, then a black family in front of a house, and then two black men standing outdoors. The voiceover says

> *The Mazda 626 LX has an available V6 that just happens to be affordable, courtesy of the folks around Flat Rock Michigan who built it. Just their way of bringing power to the people. Right on.*

When targeting young, white, professional women the "make a statement" execution is used, but when targeting blacks the "affordable, made-in-Flat Rock, Michigan...power to the people" execution is used.

Ethnic Groups. An ad that used different images of people who eat Lean Cuisine showed mostly separate images of people with one exception -- a group of men who appeared to be Italian were together, talking and laughing while playing bocce. They were the only people interacting as a group; the other black and white Americans were shown in separate reaction shots, which maintains an ethnic stereotype that Italian men can be more outwardly affectionate and expressive toward each other than blacks or whites.

Age. Youth prevailed over older age in a Cheerios ad that initially showed an older man who expected Multi Grain Cheerios to be unappetizing and heavy. His adult son ate the cereal with his wife and child and found it "light" and tasty. The older man was finally convinced, but he was shown separately from the other family members. Lipton, on the other hand, showed a family eating dinner together with three generations represented and no young versus old themes present.

Older people in ads most often appeared in denture care product ads or OTC drug ads, either as the suffering patients or the doctor as spokesperson. Older people were sometimes shown in an activity, but not "at work" except for a black, hospital volunteer in the South Central Bell ad.

An older couple on an airplane for a Little Caesar's Pizza ad were supposed to be humorous because the woman couldn't put her lipstick on straight -- a portrayal that does not flatter older people.

The image of older people as no longer employable and burdened by various health problems is unquestionably negative; however, the absence of older people in ads for "fun" products such as electronics, beautiful clothes, make-up, and cars may speak louder than their presence in other ads. The cosmetic ads for Estee Lauder's Fruition, Clarion Lipstick, Loreal's Accentuous Mascara, and Clarion's Vital Difference Moisturizing Make-Up all portray images of beautiful, youthful women and set certain standards of beauty that emphasize not only youth but thinness. The one ad in the sample for a weight loss product showed the before and after images of the actress Ann Jillian for Ultra Slim Fast. The consistent use of young, thin models with carefully applied make-up and youthful hair styles shows the viewer the look one needs in order to be competitive on the basis of attractiveness. According to advertising, older women do not possess this look and are unable to compete with younger women unless they look much younger than their years, which is the main appeal for products such as Estee Lauder's Fruition and Clarion's Vital Difference make-up.

Education and Occupation. An ITT ad that promoted degree programs which take less time than those of other institutions showed men almost exclusively. In other ads that showed occupational roles, men were shown in different jobs than women, and they were more often shown working outside the home than women. Some male occupations included a professional photographer, pharmacist, real estate agent, dentist, doctor, auto parts store manager, hardware store worker, beauty salon owner, hotel maintenance man, furniture store salesman, game show host, mail carrier, hospital volunteer, and insurance agent. Women were shown as an Army officer, fast food worker, nurse, teacher, hotel maid, mail clerk, and secretary. A Chevy truck ad introduced a man and woman who both designed sections of the interior.

The Nature of Recognition. In order for a culture to emphasize the individual's achievement, attractiveness, youthfulness, etc., the culture must provide opportunities for recognition. Within Western culture, school graduations and other award ceremonies are public events that family and friends attend so that the honored person has an audience to recognize the accomplishments, just as beauty pageants draw an audience for those who excel in physical attractiveness.

Several ads provided context for examples of recognition. An ad set at a child's soccer game showed a "father" admiring another father's Pontiac Grand Am and congratulating the owner on what a great deal he got on the car. A reversal of that message shows a man competing in a game show who "loses" the prize of the Pontiac Grand Prix by guessing the incorrect answer to a question. When asked to name the most affordable car with anti-lock brakes, he mistakenly answers the Taurus, and he fails to win both the prize and the recognition.

In an ad that shows high recognition for the right car choice, Hyundai shows what appears to be a meeting of Alcoholics Anonymous. A man hesitantly walks on stage and instead of confessing he is an alcoholic, he confesses he is a Hyundai driver. Much to his surprise the audience members respond by applauding him and rising to their feet in his support.

In order to be recognized, one must know what will be rewarded. These examples of context in advertising provide the viewer with a number of rules for acceptable behavior roles that can serve as guidelines for expressing individualism; however, by showing different levels of education, occupations, areas of expertise, and lifestyles for people on the basis of gender, race or age, advertising can present stereotypes that limit the range of choices to various groups.

Context through camera shot and technique. Stores such as Sears and Penney's serve both collectivist and individualist needs, but their ads focused on the individual by showing one or two people at a time admiring their appearance or being admired by others. Fast-food restaurant ads showed individual reactions to the taste of the food with people typically eating alone or in small groups (family or small number of friends). The camera work often privileged a first person point-of-view so that an Arby's ad, for example, showed no full shots of people but included a person's hand picking up pieces of chicken, dipping it in sauce, and bringing the chicken in closer to eat it. The ad gives the viewer the feeling of being there and establishes identification.

Product demonstrations, testimonials, and slice of life ads typically show a person that the viewer can identify with in hopes of creating greater involvement with the product. If several people are shown, they often are presented one at a time. For example, a Ripple Crisp Cereal commercial shows a father, mother, and daughter in separate reaction shots. By presenting these three separately, it helps legitimize the American practice of eating separately rather than coordinating schedules to eat breakfast together.

Spokespersons often speak directly to viewers as though they are talking to a single person. A Tylenol ad with spokesperson Susan Sullivan in a pharmacy, and an Effidac ad using an older, non-celebrity man who "looks like" a doctor were two that did not contain main messages of individualism; however, the ads created personal involvement for the viewer by showing a close-up of the spokesperson talking directly to the viewer and using the word "you."

Speaking directly to a single individual can not only personalize products' claims for efficacy, but when combined with an individualist message can deliver a greater impact.

For example, the close-up of the Auto Zone manager making direct eye contact with the viewer delivers greater impact to his message that "we think of you as the boss," just as these techniques enhance Candice Bergen's message that "the world revolves around you."

Finally, the Sega Game Gear ad draws the viewer in by using a voiceover who says

> *if you were color blind and had an IQ less than 12, then you wouldn't care which portable [game] you had.*

A dog is presented visually to the viewer when the voiceover delivers the lines, giving the viewer the message that if you were a dog, you wouldn't care which portable you had (but since you're not, you want the Sega game -- not the Nintendo, which is a monochromatic green).

Conclusions

The original premise held that individualism is such a commonly accepted value within American culture that the real issue is not whether advertising carries messages of individualism, but rather how these messages are carried. Attempting to see how individualism is transmitted through advertising requires overcoming some of the difficulties in looking for something nearly invisible to members of the culture.

To summarize briefly, a large number of products available to Americans are solely for individual use, yet an even greater number can serve both collectivist and individualist needs. Only one product was exclusively a collectivist product. Regardless of the nature of the product, the advertising appealed heavily to self-interests.

Advertising uses a wide number of appeals to persuade the target audience to buy products. A total of 48% used direct individualist appeals in the advertising, and 90% of the ads provided contextual cues. Four main messages of individualism -- "The Esteemed Individual," "The Efficient Individual," "The Physically Attractive Individual," and "The I Am Me Individual" were identified.

These finding raise two important questions: (1) how does the expression of individualism through advertising impact society, and (2) should the creators of advertising modify their messages?

Addressing these questions first requires recognizing that the preference of the value of individualism over collectivism is not the central issue. The U.S. Constitution is founded upon a belief in individual rights and individual ownership of property; the value of individualism is so ingrained in the culture that it is unrealistic to suggest that messages should reflect collectivism, despite some negative effects of individualism. Main messages of individualism cluster around four value locations: self-esteem, efficiency, physical attractiveness, and "I Am Me." Certainly, it is difficult to argue that such messages are at odds with the culture. However, by noting the absence of other value locations such as "The Religious Individual," "The Giving Individual," or 'The Helping Individual," it becomes apparent that advertising reflects certain kinds of individualism more so than others.

And while advertising may not reflect all forms and shapes of individualism, it is also pertinent to note that of the forms of individualism that are portrayed, the value is pursued differently by different groups according to gender, race, ethnic group, and age, with certain groups privileged over others in their attainment of individualism.

The ability to gain recognition for individual accomplishments, e.g. being the most attractive, being the most successful on the job, or having possessions most admired by others, requires a knowledge of what the culture values and an ability to attain them. When advertising portrays an ideal image of men as educated providers who are very competitive on the job, in charge of financial decisions, they enjoy more freedom to pursue the goal of individual expression than other groups, particularly through occupations. The sheer number of ads for products enhancing physical attractiveness for women conveys that women are "judged" on the basis of appearance more than men, and that their appearance may be of greater importance than their contribution to the work force. This type of stereotyping can not only hurt women who enter the work force, it can also pressure men into a narrow range of choices that denies them total individual expression. The limited range of behavior for blacks, ethnic groups, and older people create similar obstacles in their expression of individualism.

The second question asks whether messages should be created differently and addresses the responsibility of the advertising industry. Since the creators of ads are focused on those specific ads they are producing at a given time, they may easily lose sight of the total impact of advertising. In simple terms, they may not see the forrest for the trees. Often being able to see what was once invisible is enough to change one's perspective and modify behavior. This study does not ask for revolutionary changes in the advertising messages; it merely asks that advertisers become more self-conscious in the ways they are depicting individualism so that what we value as a culture is equally accessible to everyone without restricting the availability of individualism.

REFERENCES

Aries, P. (1981). The Hour of Our Death. (H. Weaver, Trans.). New York: Alfred A. Knopf.

Baumeister, Roy F. (1985). "How the Self Became a Problem: A Psychological Review of Historical Research," Journal of Personality and Social Psychology. 52 (1). 163-176.

Bellah, Robert N., Richard Madsen, William M. Sullivan, Ann Swidler, and Steven M. Tipton (1985). Habits of the Heart. Individualism and Commitment in American Life. Berkeley: University of California Press.

Frith, Katherine T., and David Wesson (1991). "A Comparison of Cultural Values in British and American Print Advertising: A Study of Magazines." Journalism Quarterly. 68 (1/2) Spring/Summer, 216-223.

Gross, Barbara L., and Jagdish. N. Sheth (1989). "Time-oriented Advertising: A Content Analysis of United States Magazine Advertising. 1890-1988." Journal of Marketing. 53. 76-83.

Hall, Edward T. (1959). The Silent Language. New York: Doubleday.

Hofstede, Geertz (1984). Culture's Consequences: International Differences in Work-Related Values. Beverly Hills: Sage.

Hofstede, Geertz (1991). Cultures and Organizations -- Software of the Mind. London: McGraw Hill Book Company.

Holbrook, Morris B. (1987). "Mirror, Mirror, on the Wall, What's Unfair in the Reflections on Advertising?" Journal of Marketing. 51. 95-103.

Kluckhohn, Clyde (1951). "Values and Value Orientations in the Theory of Action," in T. Parsons & E. A. Shils (Eds.). Toward a General Theory of Action. Cambridge: Harvard University Press.

Kluckhohn, Florence R., and Fred L. Strodbeck (1961). Variations in Value Orientations. Evanston, Ill: Row, Peterson and Company.

Lodge, George C. (1975). The New American Ideology. New York: Alfred A. Knopf.

MacIntyre, A. (1981). After Virtue. Notre Dame, IN: University of Notre Dame Press.

Maslow, Abraham H. (1970) Motivation and Personality. 2nd edition. New York: Harper & Row.

Mandese, Joe (1993). "'Home Improvement' Wins $ Race." Advertising Age. September 6 (3, 26).

Miller, David L. (1967), Individualism: Personal Achievement and the Open Society, Austin: University of Texas Press.

Moriarty, Sandra E. (1991), Creative Advertising Theory and Practice, 2nd. Edition, Englewood Cliffs, New Jersey: Prentice Hall.

Nelson, Roy P. (1989), The Design of Advertising, Dubuque, Iowa: William C. Brown.

Nisbet, R. (1973), The Social Philosophers: Community and Conflict in Western Thought, New York: Crowell.

Ogilvy, David (1985), Ogilvy on Advertising, New York: Vintage Books.

Pollay, Richard W. (1983), "Measuring the Cultural Values Manifest in advertising," Current Issues and Research in Advertising, 1, 71-92.

Pollay, Richard W. (1986), "The Distorted Mirror: Reflections on the Unintended Consequences of Advertising," Journal of Marketing, 50, 18-36.

Russell, J. Thomas and W. Ronald Lane (1993), Kleppner's Advertising Procedure, 12th Edition, Englewood Cliffs, New Jersey: Prentice Hall.

Solomon, Michael R., and Lawrence Greenberg (1993), "Setting the Stage: Collective Selection in the Stylistic Context of the Commercials," Journal of Advertising, 22(1), 11-23.

Triandis, Harry C. (1985) "Collectivism vs. Individualism: A Reconceptualization of a Basic Concept in Cross-Cultural Psychology" in C. Gabley & G. K. Verma (Eds.) Personality, Cognition and Values: Cross-Cultural Perspectives of Childhood and Adolescence, London: Macmillan, pp. 57-89.

Triandis, Harry C. (1989) "The Self and Social Behavior in Differing Cultural Contexts," Psychological Review, 96(3), 506-520

Trompenaars, Fons (1993) Ride the Waves of Culture, Boston: The Economist Books.

Zinkhan, George M., Jae W. Hong, and Robert Lawson (1990), "Achievement and Affiliation Motivation," Journal of Business Research, 20, 135-144.

Zinkhan, George M., and A. Shermohamad (1986), "Is Other-directedness on the Increase? An Empirical Test of Riesman's Theory of Social Character,"Journal of Consumer Research, 13, 127-130.

APPENDIX A
Hofstede's Characteristics of Individualistic Cultures

Family Life

1. Children grow up in nuclear families
2. Children learn to spend time alone unlike collectivist children who are almost never alone
3. Child-rearing sets independence as a goal
4. Speaking one's mind is a virtue and is characteristic of a sincere and honest person
5. Confrontation is believed to lead to a higher truth
6. Adults should have learned to take direct feedback constructively
7. Coping with conflict is a normal part of living
8. Children are expected and encouraged to develop opinions of their own, and children who never voice opinions is thought to have a weak character
9. Children are encouraged to take small jobs in order to earn pocket-money of their own, which they alone can decide how to spend
10. There are a lack of both financial and ritual obligations to the family. Baptisms, marriages, and funerals are not as compulsory as in collectivist cultures
11. Verbal communication (social conversations) are compulsory. Silence is considered abnormal.
12. Communication is explicit and not self-evident (low context communication)
13. Self-respect is the closest counterpart to the collectivistic concept of face
14. Self-respect is defined from the point of view of the individual -- not the social environment
15. Children break with parents or keep relationships to a minimum
16. People look after themselves and immediate family

Education

1. Children are encouraged to speak up in class and express their own opinion without consulting the group or working in groups
2. Two-way communication between teacher and student is encouraged
3. Students expect to be treated impartially
4. Students from different ethnic groups mix more freely and do not expect preferential treatment
5. Teachers who favored same ethnic background students would be considered guilty of nepotism and immoral behavior
6. Students form groups on an ad hoc basis according to the task or to particular friendships and skills
7. The purpose of education is independence
8. Learning creates a positive attitude toward new situations
9. People must learn to cope with new, unknown, unforseen situations that will arise through life
10. Diplomas improve the holder's economic worth but also his or her self-respect because it provides a sense of achievement

Work

1. Work should be organized so self-interest and employer's interest coincide
2. Workers are economic men -- people with a combination of economic and psychological needs
3. Family relationships at work are considered undesirable because they may lead to nepotism or conflict of interest.
4. The relationship between employer and employee is primarily conceived as a business transaction between buyers and sellers on a labor market
5. Poor performance on the part of the employee or a better pay offer from another employer are legitimate and socially accepted reasons for terminating a work relationship.
6. Management of individuals is valued.
7. Subordinates can be moved around individually
8. Bonuses are given according to individual performance
9. Formal appraisal interview communicate "bad news" directly to employees without going through subtle, face-saving tactics
10. Universalism (treating everybody alike) is more ethical than particularism (treating one's friends better than others)
11. The task prevails over personal relationships, and such things as trust are not required to be developed prior to conducting business
12. Important goals on the job are:
    1. Personal time -- having a job which leaves you sufficient time for your personal or family life
    2. Freedom -- having considerable freedom to adopt your own approach to the job
    3. Challenge -- having challenging work to do -- work from which you can achieve a personal sense of accomplishment.

Ideas and Philosophy

1. Individual interest prevail over collective interests
2. Everyone has a right to privacy
3. Laws and rights are supposed to be the same for all
4. Economy is based on individual interests
5. Individualistic cultures are wealthier--higher GNP
6. Restrained role of government in the economic system
7. Political power is exercised by voters
8. Freedom of press rather than state control
9. Ideologies of individual freedom prevail over ideologies of equality
10. Self-actualization by every individual is the ultimate goal
11. According to Maslow's hierarchy, realizing to the fullest possible extent the creative potential present within the individual is the supreme motivation.

(Hofstede 1991, pp. 49-78)

U.S. DEPARTMENT OF EDUCATION

OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT (OERI)

EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

Please return to:
ERIC/RCS
150 Smith Research Center
Bloomington, IN 47408-2698

REPRODUCTION RELEASE (Specific Document)

I. DOCUMENT IDENTIFICATION

Title: What you want is what you get: Individualism as a Cultural Value in Primetime TV Advertising

Author(s): Joyce M. Wolburg and Ronald E. Taylor

Corporate Source (If appropriate):

Publication Date: aug, 1994

II. REPRODUCTION RELEASE

In order to disseminate as widely as possible timely and significant materials of interest to the educational community, documents announced in the monthly abstract journal of the ERIC system, Resources in Education (RIE), are usually made available to users in microfiche and paper copy (or microfiche only) and sold through the ERIC Document Reproduction Service (EDRS). Credit is given to the source of each document, and, if reproduction release is granted, one of the following notices is affixed to the document.

If permission is granted to reproduce the identified document, please CHECK ONE of the options and sign the release below.

CHECK HERE ➧ ☑ Microfiche (4" x 6" film) and paper copy (8½" x 11") reproduction

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY
[PERSONAL NAME OR ORGANIZATION,
AS APPROPRIATE]
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

OR ☐ Microfiche (4" x 6" film) reproduction only

"PERMISSION TO REPRODUCE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY
[PERSONAL NAME OR ORGANIZATION,
AS APPROPRIATE]
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

Documents will be processed as indicated provided reproduction quality permits. If permission to reproduce is granted, but neither box is checked, documents will be processed in both microfiche and paper copy.

"I hereby grant to the Educational Resources Information Center (ERIC) nonexclusive permission to reproduce this document as indicated above. Reproduction from the ERIC microfiche by persons other than ERIC employees and its system contractors requires permission from the copyright holder. Exception is made for non-profit reproduction of microfiche by libraries and other service agencies to satisfy information needs of educators in response to discrete inquiries."

SIGN HERE ➧

Signature: Joyce M. Wolburg
Printed Name: Joyce M. Wolburg
Organization: University of Tennessee
Position: graduate student (Ph.D)
Where to send complimentary microfiche--> Address: 476 Communications Bldg
UT, Knoxville, TN Zip Code: 37996
Tel. No.: 615-974-3048
Date: Aug 3, 1994

III. DOCUMENT AVAILABILITY INFORMATION (Non-ERIC Source)

If permission to reproduce is not granted to ERIC, or, if you wish ERIC to cite the availability of the document from another source, please provide the following information regarding the availability of the document. (ERIC will not announce a document unless it is publicly available, and a dependable source can be specified. Contributors should also be aware that ERIC selection criteria are significantly more stringent for documents which cannot be made available through EDRS.)

Publisher/Distributor:
Address:
Price Per Copy:
Quantity Price:

IV. REFERRAL TO COPYRIGHT/REPRODUCTION RIGHTS HOLDER

If the right to grant reproduction release is held by someone other than the addressee, please provide the appropriate name and address:

EFF-53 (Rev. 4/86)

GUIDELINES FOR COMPLETING THE REQUEST FOR REPRODUCTION RELEASE FORM

Under the present copyright law a reproduction release must be obtained for each document before it can be processed for the ERIC system. There are three options:

(Level I) Microfiche (4" x 6" film) and paper copy (8-1/2" x 11") reproduction

This option, which allows ERIC to make the document available on microfiche or in paper copy is most frequently chosen by authors. (77% of ERIC documents are entered as Level I.) This arrangement does not preclude later publication of the document or sale of a printed version by author or institution. However, if you have a limited supply of printed copies or if the document should go out of print, a copy of your document from which other copies can be made will always be available in ERIC.

(Level II) Microfiche (4" x 6" film) reproduction only

This option allows ERIC to make the document available throughout the system on microfiche only. It is most useful if you have a large supply of printed copies but would like to refer requestors to ERIC once your supply is exhausted. This arrangement does not preclude later publication of the document, or sale of the printed document by the author or institution. The ERIC copy of the paper serves an archival function. (13% of ERIC documents are entered in this way.)

(Level III) Document may not be reproduced by ERIC. (Complete Section III of the form.) The document will be cited with bibliographic information, an abstract, and availability information.

NOTE: It is recommended that materials be submitted at Level I or Level II to insure their future availability.